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# West Europe Report

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20 NOVEMBER 1986

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POLITICAL

DENMARK

JUSTICE MINISTER DEFENDS NEW POLICY ON REFUGEES

Copenhagen BERLINGSKE TIDENDE in Danish 20 Oct 86 p 13

[Article by Justice Minister Erik Ninn-Hansen: "A Humane Refugee Policy"; first two paragraphs are BERLINGSKE TIDENDE introduction]

[Text] Erik Ninn-Hansen has been justice minister since 1982. He served as defense minister and finance minister in the Liberal-Conservative-Radical coalition government. He is a Conservative member of Folketing.

Justice Minister Erik Ninn-Hansen describes the changes that have just been made in the Alien Act and the work that is being done to find an international solution.

In 1983 Folketing passed the Alien Act by a large majority. One of the central elements in the law was the establishment of the legal status of refugees. When the law was enacted Denmark went farther than any other country in the world in its commitment to issue residence permits to refugees. The law was passed in the belief that other countries would also assume their share of the responsibility for taking in refugees.

The international stream of refugees has increased steadily since 1983 and we have seen that asylum seekers come to Denmark in greater numbers than is the case in other West European countries in relation to population size.

To be able to go on dealing with both asylum seekers and refugees in a humanitarian way the government has had to constantly review how case handling and legislation can be adjusted to the increasing stream of refugees so that fundamental legal guarantees are respected.

The changes that have just been made should be seen in relation to the fact that in recent months there has been an explosive increase in the number of asylum seekers entering Denmark. For example the influx was so large in September that it corresponds to accepting 30-35,000 asylum seekers on an annual basis.

To limit the stream of refugees Section 48, Paragraph 2 of the Alien Act now states that asylum seekers can be turned away at the border if they have come from a country where there is no risk of persecution as outlined in the

Refugee Convention of 28 July 1951. But if the foreigner has come directly from a country where he risks persecution as outlined in the convention or where he is not protected against being sent to such a country, he cannot be denied entrance.

However the basis for determining whether an asylum seeker should be given refugee status has not been changed. Both refugees under the convention and de facto refugees still have a right to be granted asylum if they have special ties with Denmark.

The change in the law includes a provision that carriers bringing a foreigner to this country can be fined if the foreigner does not have the proper travel papers and a visa. The provision should be seen in the context of the Chicago Convention which already makes airlines responsible for making sure that passengers are in possession of the documents that are needed to enter a country. Unlike the other changes this provision has not been put into effect. It will not be implemented unless there are repeated violations by the airlines, as we have seen in the past.

As I mentioned, the purpose of the latest changes in the law is to limit the present stream of refugees without endangering people in distress. It is also an important factor that the changes provide better possibilities for clearing up the large number of cases that involve asylum seekers who have already entered the country and are waiting to have their cases dealt with by the Alien Directorate or the Refugee Board.

However at no time has the government sought to avoid taking its share of the responsibility for the international refugee problem and we will always be prepared to accept our share of the world's refugees.

It is very hard to estimate how many spontaneous asylum seekers will come to Denmark following the changes in the law. When the changes were approved it was with the understanding that there might be a need to grant more than the present number of entry visas in the future to people who are subject to acute political persecution in their homeland or in another country.

It is an indication of the government's sense of responsibility with regard to the refugee problem that the Alien Act contains a clause that proposals will be submitted in the 1987/88 Folketing year concerning revisions of the law. Until then the government will follow developments very closely in order to see if the forecasts of the number of refugees Denmark will accept prove to be accurate. At the same time the government will determine whether the limits that have now been set on the number of asylum seekers and refugees to be accepted should be changed.

The refugee problem is an international one and it requires international solutions. Thus Denmark has taken an active part in consultations initiated by the United Nations High Commissioner for Refugees in May 1985, which were followed by talks in Stockholm in November 1985 and in The Hague in April 1986. This was done in the hope that pressure on the part of Denmark among



others would help create a basis for regional solutions in cooperation with the High Commissioner for Refugees.

In light of the recent explosive development in the number of refugees the government turned to the United Nations High Commissioner for Refugees on 29 August 1986, asking that initiatives be taken to implement a broad international solution to the problem of distributing the stream of refugees. However this has not led to any results so far.

The government has also brought the matter up at the United Nations General Assembly which convened a short time ago.

Denmark has also pressed for an international solution in the Council of Europe. Denmark and Sweden were responsible for taking up the problem of the so-called country of first asylum. This involves the question of whether a refugee in one country can be denied asylum on the grounds that another country in which he has resided was the country of first asylum.

In November 1985 and again in August 1986 I addressed the other Nordic countries about the question of refugee distribution among various countries and the question of a joint Nordic effort under international auspices. An intensive and open cooperation is now occurring in the Nordic countries with regard to the refugee problem.

The close cooperation in EC can also contribute to the creation of an international solution to the refugee problem. In September the EC political committee discussed the rising number of asylum seekers and Denmark was able to outline the problems created by the rising influx of asylum seekers on that occasion. Along with West Germany and others we warmly advocated an international solution. After that Denmark took the initiative for further talks that will be taking place in London today, 20 October.

The changes we have now implemented in the law underline the need for strengthening international efforts. This is a question of people in danger whom all countries must cooperate in assisting. The government will intensify its efforts to arrive at a real international solution that will guarantee refugees a proper reception in all countries and placement in the countries with which they have special ties.

The discussion in connection with the changes that have been approved in the Alien Act has also stirred up the debate of our entire reception system for asylum seekers and refugees.

Today the Alien Directorate is responsible for asylum seekers while they wait to have their cases dealt with--which can take some time, of course, especially if the case has to be decided by the Refugee Board. The Danish Red Cross runs the centers where asylum seekers stay.

If a person is given refugee status the Social Affairs Ministry assumes responsibility for him. In cooperation with the Danish Refugee Aid Society the Social Affairs Ministry has set up an integration program that is offered to all refugees and lasts for 18 months.

Thus it can take a very long time from the point when a refugee seeks asylum in this country until the day he becomes part of Danish society--as much as a couple of years. In my opinion it is very important to adapt refugees to Danish society as quickly as possible. Denmark should not be just a waiting room where these people in distress stay and in which they are moved around from place to place. We must give refugees an opportunity to become functioning residents of this country, people who understand and respect the rules and customs in effect here in the same way as we understand and respect the special characteristics of the refugees. I think it is vital that the process leading to the absorption of a refugee into Danish society be as quick and as expedient as possible. The Red Cross has pointed out to me that the present system, under which as I said it can take several years before a refugee is absorbed into society, is not expedient. This is a view that I share. A refugee should be quickly placed in the local community where he will be integrated and where aid will be granted and not in a center where he is moved around with no permanent residence and where he has no influence over his own situation.

We now have a law that once again makes it possible for Denmark to decide which foreigners it wants to accept. I think this is a good thing. But there should be no doubt that we will continue to help people in need around the world. We will continue to provide this help on an international level by aiding the many poor nations in the Third World that contain many refugees. We will also continue to accept refugees in this country, both those who come here spontaneously and those who come in under the UN quota. The goal is to insure good conditions for the refugees we continue to accept at a level that would have seemed enormous just a few years ago. We now have an opportunity to deal with asylum seekers more quickly and in a better way and to incorporate refugees into society at a rate that is satisfactory for them and that local communities can handle. And in reality that is the core of a humane refugee policy.

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CSO: 3613/10

POLITICAL

DENMARK

# RADICAL LEFT PARTY ON SECURITY, COALITION, ECONOMIC ISSUES

Copenhagen WEEKENDAVISEN in Danish 26 Sep/2 Oct 86 p 2

[Article by Solveig Rodsgaard: "Only Security Policy Can Give an Election Out of Season"]

[Text] The Radicals have clearly announced that they support the government. But for the government there are still difficulties in dealing with the situation with the alternative security policy majority around the government. There the Radicals are dealing with the Social Democrats and the Socialist People's Party.

Only a security policy onslaught against the government can sabotage the government's cooperation with the Radical Left on economic policy. The Liberal Party's group chairman Ivar Hansen says that a security policy clash could end in an election. But beyond the security policy it is difficult to see problems that can destroy the good climate between the government and the Radicals. At the Radical national meeting in Nyborg last weekend there was also clear support for the Niels Helveg Petersen line and the role of the Radicals as a supporting party.

The government is well aware that foreign and security policy is a sensitive area with the Radicals, and if broad policy unity is to be created on these matters, it must take place together with the Social Democrats. Precisely this question of the reestablishment of the previous traditional cooperation between the nonsocialist parties and the Social Democrats is being negotiated at the moment in the Folketing committee concerning Danish security policy, called the Østergaard committee, and in a few months the committee will report. This will also be an indication of what can be expected of security policy initiatives in the coming Folketing session.

In spite of the clear report from the Radicals' national meeting on the party's position in relation to the government, foreign, security, and defense policy was also discussed at the national meeting last weekend. And these issues will also be discussed at the Liberal Party's national meeting during the coming weekend, in which Foreign Minister Uffe Ellemann-Jensen will presumably be asked to answer how long the government can accept being directed by the security policy majority around the government. Among other things, the Liberal Party's defense committee in Copenhagen County has made a sharp defense and

security policy statement that will be dealt with at the national meeting. And to WEEKENDAVISEN the Liberal Party's group chairman Ivar Hansen has clearly appealed to the Social Democrats for cooperation in these areas: "I cannot rule out the fact that it finally can end with an election on security policy. But I think that we must have an understanding with the Social Democrats. It cannot help anything to have the Social Democrats think that they can coast in this matter. The party must not run from responsibility. If the Social Democrats try to do this, one must ask the people. It is naturally the prime minister's decision on what will happen. But I think that the report coming in a few months from the Folketing's security policy committee will be a straw in the wind of what we can expect from the agenda in the coming session.

"I would also say about defense policy that if the Social Democrats hold fast to the viewpoints laid down in the party's position on a defensive military, there will be no defense compromise from this side of the Folketing. That is quite certain."

### Radical Defense

At the national meeting of the Radical Left Party the Radical leader Niels Helveg Petersen said that the Radicals are turning against all forms of military escalation, also for the Danish defense forces. And he found the Social Democratic plan for a protective defense force "tailor made for a compromise with the government for a new period. But if the Radical Left Party can attain concrete and real influence, we will not stand on the sidelines. We will specify our demands."

Niels Helveg Petersen thinks that the government has not finished its plans in the defense area. "We will demand an answer from the government on how the Danish defense forces are to be fitted into the present budget framework. Every new weapons system is more expensive than the one it replaces. For this reason alone there must be changes made in the structure and content of the defense forces. But what is the government thinking of? We hear very little about this. The government cannot simply hide."

The Radical Left Party leader stressed that it is obvious that the party will take part in the Nordic parliamentary cooperation on making the North a nuclear free zone and that it is also obvious that the Radical Left will take part in the World Peace Conference in Copenhagen next month. It is this congress that the Social Democratic Party does not want to take part in because the party thinks it is communist dominated.

In the security policy statement, which was unanimously passed by the national meeting, it is stated that the Radicals will continue to work for a nuclear free zone in the North, combined with a Danish protective defense force. Furthermore, the party finds that disarmament and reduction of arms are the most important issues, and a first step in this direction is the accomplishment of a stop in nuclear testing. The government is encouraged to "stress clearly and unambiguously to our NATO partners, particularly the U.S., that the greatest stress must be placed on the immediate execution of a testing stop."

## A Blow to the Left Wing

But in the economic area, the ten Radical Left members of the Folketing are ready to help the nonsocialist government, and at the national meeting there was great satisfaction with the efforts of the Folketing group so far. This was quite remarkable, because most of the delegates to the Radical Left national meetings are by tradition to the left of the Folketing group. There were only a very few who seriously talked about a renewal of the previous traditional cooperation with the Social Democrats, and this was not welcome among the majority of the delegates. This was shown concretely in the elections to the main leadership. The former mayor Kr. Thule Hansen, who proposes that the Radicals should reject cooperation with the government in favor of cooperation with the Social Democratic Party and the Socialist People's Party, was sent from third to last place in the leadership by the delegates at the national meeting. Former Folketing member and EEC parliamentarian for the People's Movement Against the EEC, Sven Skovmand, lost his place in the leadership completely, moving to substitute place number one. Skovmand had said at the national meeting that he would criticize the Folketing group if they did not listen to signals from the Social Democrats and the Socialist People's Party. "Niels Helveg Petersen must listen more and not be so dependent upon the nonsocialist government."

The party's deputy chairman, Keld Anker Nielsen, was elected as number one to the main leadership just as he was last year. Nielsen had spoken earlier of cooperation with the Social Democratic Party, but he did not speak during the policy debate. The only real left-wing radical who is back in the main leadership is Birgit Bjornvig, and she did not mention the question of cooperation in her speech at the national meeting.

## The Economic Policy

With this clear result from the national meeting and with the substantial backing for the Folketing group, Prime Minister Poul Schluter does not have to worry about a majority for the continued tight income policy and therefore does not have to worry either about how far the Radicals also will support legislation on economic adjustment, which comes right after the Folketing meets on 7 October.

But the Radicals will also continue to have something to cooperate with the government on. This was also present in the decisions of the national meeting. The Radical leader Niels Helveg Petersen himself thinks that the national meeting showed a different and new Radical awareness of what the party wants and what this means in Danish politics.

In the domestic policy resolution it is stated that the general agents in economic policy are necessary but not sufficient to assure further progress in employment and equilibrium in the balance of payments. One of the areas the Radicals are particularly interested in is educational opportunity for children and adults, and in the coming Folketing session the Radicals will initiate a series of proposals in this area.

In the statement the public sector is praised, and it is stated that in the coming agreements public employees will be assured wage increases in agreement with the raises in the private sector. It is stressed that the possibility of meeting the demand of the public employees for equality is greatest if voluntary agreements are made with the public employee organizations.

The Radicals will also work for the gradual introduction of a citizen's wage, and it is stated that important steps in this direction are the introduction of legally determined payments in the Social Security Act and youth wages to young people under the Social Security Act. It is also stressed that a peoples pension to everyone is a step toward the citizen's wage, and that "all attacks against this principle must be warded off."

Efforts for the restoration of nature and against damage to the environment must be strengthened, and the party will continue in the coming Folketing session to make proposals for ecological agriculture.

And in the last point in the statement it says that the Radicals "will continue to work for an agreement to carry out the party's proposal on surplus distribution and joint ownership."

Dates are not set in the resolution, but the party's labor policy spokesman Jorgen Estrup pointed out at the national meeting that the Radicals and the Social Democrats are very close in their work for joint ownership and obligatory surplus distribution: "Why don't we carry this out? One reason is naturally that the governing parties will not vote for it. But we are not completely without fault. Obligatory distribution has not come about primarily because the Socialist People's Party will not cooperate. Because Gert Petersen dogmatically clings to the central fund. Because Gert Petersen refuses to go along in a compromise in which the Radical Liberal Party takes part. The Socialist People's Party must get rid of its sensitive feelings if it is to be taken seriously. Back packs and velvet gloves do not go together."

#### Liberal Party National Meeting

As stated above, the Liberal Party will have its national meeting this coming weekend. In addition to the treatment of a series of proposals -- among others the sharp security and defense policy statement and a proposal for obligatory surplus distribution -- the national meeting will adopt a policy of "A Safe Life in Freedom." The program has been worked out by a committee with representatives from the Liberal Party's Folketing group and the main leadership, and there are five elements in it: 1. greater personal freedom, 2. greater safety, 3. more personal initiative, 4. greater responsibility for the future, and 5. more economic freedom. The program has been debated in all the party meetings, and several proposals for amendments have been sent in. After the national meeting, a committee with the Liberal Party's deputy chairman, Anders Fogh Rasmussen, as chairman will finally draw up the program.

On Sunday Party Chairman Uffe Ellemann-Jensen will open the policy debate. He will give an account of governmental cooperation up to now and of the results

that have been achieved, and he will propose a new four-year cooperative proposal. But in spite of this, the Liberals will nevertheless speculate on why it is the Conservative People's Party that is winning out in the governmental cooperation. Opinion polls are not so good for the Liberal Party. The last Gallup poll in BERLINGSKE TIDENDE gives the Liberals 11.7 percent, while voter support in the elections in January 1984 was 12.1 percent.

"The demands of cooperation can feel like a straitjacket. But what is it to be able to throw out one's arms and cry out one's thoughts and wishes to the whole world if one simply cannot get any of them put through?" Jensen explained in the latest issue of the Liberal Party's monthly, LIBERAL.

#### Progressive Party Meeting

The Progressive Party will also have its national meeting next weekend, and it will also take place with a glance at the opinion polls. In the latest Gallup survey the party stood at 2.8 percent as opposed to 3.6 percent in the elections. On the other hand, Observa's test election in JYLLANDS-POSTEN Sunday showed that the Progressive Party -- together with the Radicals -- can assure the four party government a majority over the Social Democrats, the Socialist People's Party, and the Greens. But the guesswork continues. The Radicals want on no account to be together with the Progressive Party.

On the political side of the national meeting, much time will be spent on Mogens Glistrup's book, "Out of Tax Reform Traps," which the Progressive Party's Folketing group has just published. The book, which is 248 pages long, was sent in advance to the delegates.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

PAPER CRITICIZES INTERVENTIONISM IN SPD ECONOMIC PROGRAM

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 30 Aug 86 p 11

[Editorial by Hans D. Barbier: "Wanted: A Schiller for the '90's--The SPD Needs an Economic Program"]

[Text] The Social Democrats will once again have to thoroughly revise the decisions they made at their Nuremberg convention regarding their economic policy. The program, a mishmash of state interventionary measures motivated by ecological and social concerns, of tax hikes and new forms of co-determination, does not mark any political balance, irrespective of how a person may wish to assess this concept of economic policies from a political-economic viewpoint.

You can almost bet that the Social Democrats will be denied the opportunity to achieve a governing majority in the upcoming Bundestag, election even in their own ranks. But the Nuremberg convention did illustrate one thing: it won't be Johannes Rau's fault. He is the candidate for Chancellor and will probably be able to mobilize for himself all those votes which are currently available to the SPD. Therefore, the SPD, with its sights on 1991, will have to reexamine its economic policy platform. It will be difficult to guess in which direction the economic platform will vary from its current unstable state. The danger that the party will resign itself to a course that is literally socialistic or syndicalistic does not seem to be very grave, in view of the fact that the conservative groups still prevail in the delegate assembly. On the other hand, however, one cannot recognize any readiness to give up legislative perfectionism, thousands of state interventionary measures, and collectively organized self-preservation in all areas of life. One fears that after 1987 the Social Democrats will go another step further in this direction. For many of them, the social model is in fact the universal health insurance plan in every sense.

So as it stands, the Social Democratic platform will not be able to remain long, in any case. Except for its decision concerning energy policies, the platform does not fulfill even the most insignificant requirements of election campaigning. On the other hand, the energy decision is composed solely of campaign tactics. It appeals to everyone, from the works committee concerned with employment to the staunch opponents of nuclear energy. That can draw in the votes; however, it is not a calculated energy policy. The



divestment schedule which seems so precisely timed is restricted by an agreement proviso which reduces the party's claim to leadership in energy policy to an empty formula. The nuclear power plants will be shut down, and if unions, works committees, workers, the energy industry, firms, communes, scientific and citizen initiatives can be convinced, they will be eliminated.

Viewpoints on distribution almost completely dictated the aspects of fiscal policy decided upon in Nuremberg. These elements were based on the wish that the state make available financial management tax levers for tasks of a higher order, such as the improvement of the global condition and the creation of social justice. If the SPD politicians concerned with fiscal policy would only make the effort to take into account the impact of their philosophy on the distribution of taxes on the course of the progressive tax schedule, that is, to favor the "small" and ask the "large" to pick up the tab, then it would be instantly clear to them with which percentage cut-off points they are pushing the skilled worker into a bind. At work, should he be available for an essential and pressing special shift, or should he flee into the fiscal gray area of working and being paid under the table? Whoever drafts the steepest possible graduated progressive tax schedule for reasons of distribution, finds himself immediately forced to pursue those taxpayers on the fringe of respectability who have dubious write-offs and possible tax configurations.

The decisions concerning economic policies, where they go beyond the employment program financed by deficit and taxes, the Social Democratic variation of the old dream of planification. Economic and social advisory groups provide advice on what will be invested where, according to which priority. The Social Democrats do not decide; they stand behind the FRG constitution. This is what comprises the state along with the help of a flood of decrees. This description may contain a hint of exaggeration; however, it makes the risks of the Social Democrats' economic policy assessment plain. The "innovative entrepreneur" (from whom the SPD expects the technical and economic solution to the conflict between the elevated goals of environmental protection and rising prosperity in the categories of political-economic accounting sits in a confining mesh of laws and social advisory councils. He cannot be at ease in this field of programs, and he will therefore hesitate to delegate the responsibility for economic policies to the Social Democrats.

It will not be easy for the SPD to distance itself from the philosophy of the prevailing legislative perfectionism. In its role as opposition party, it has so often repeated the unfounded claim that economic policies of free enterprise lead to social indifference and disunity that it has actually begun to believe that, or to see no way of getting around this idea without losing credibility. The SPD is a party that argues. But it prefers to argue with itself. It will be difficult to bring the SPD to the path of a not only alleged but actual free enterprise-oriented policy by placing before it arguments and examples from without the party. It is up to someone from their own ranks to help the Social Democrats achieve this policy. The SPD needs a Karl Schiller for the 1990's. At the moment, there is no economic

leader. It is not by chance that Hans Apel and Wolfgang Roth, still "the" speakers of the SPD Bundestag group on financial and economic policies, needed two ballots to join the newly-elected executive committee. Politics can only be carried out through people, at least in a democracy. In the 1960's, Karl Schiller showed how much the voters grew to expect competence in a party once a political area of expertise was represented by a person who combined factual judgment with the respect of his own party. Such intellectual leaders are in short supply. They can only develop their powers of influence if the party does not force them into ideological boxes.

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POLITICAL

PORTUGAL

# POSSIBILITY OF CAVACO SILVA-SOARES TRUCE AGREEMENT ANALYZED

Lisbon EXPRESSO in Portuguese 27 Sep 86 p 3

[Article by Jose Antonio Saraiva]

[Text] Victor Constancio, speaking of the good relations between Cavaco Silva and the current president of the republic, said that they were an indication of the "weakness of the cabinet."

This statement is somewhat surprising in view of the fact that Victor Constancio belongs to the group in the PS whose members said not so many years ago that the poor relations between Sa Carneiro and the man who was president of the republic then were an indication of the weakness of that cabinet (which, in creating conflict with the president, was seeking a means of asserting itself in the eyes of its electorate).

The problem cannot be posed, then, in this fashion.

Cavaco Silva, when he devotes a certain attention to Mario Soares, or when he encourages his ministers to accompany the president on his travels, is merely trying to establish a certain type of relationship between the cabinet as a sovereign organ and the Presidency of the Republic as a sovereign organ.

In other words, in treating the chief of state with deference and scrupulously respecting all of the prerogatives which the presidential post confers on its holder, Cavaco Silva is placing Mario Soares in a position in which it will be difficult for him to fail to treat the prerogatives of the prime minister and the sphere of action of his cabinet with equally scrupulous respect.

In a word, Cavaco is giving respect in order to receive it.

Cavaco Silva, avoiding an attack on the president, has proposed a "nonaggression pact" to Soares. He hopes that the president will also refrain from attacking him and will allow him to govern.

And it is obvious that at this time, such a pact is of interest to both.

It is of interest to the prime minister because Cavaco Silva seems to be the kind of man who, believing that he has a mission, is interested above all in being allowed to pursue it to the end without interference from third parties.

It will be remembered that Cavaco Silva made a point of forming a cabinet alone, rejecting the sharing of responsibility for governing with others.

It will also be remembered that the conflict between Cavaco Silva and parliament had its origins precisely in the fact that this body made the realization of the prime minister's plans difficult by amending or rejecting his draft laws.

However, Cavaco Silva does not belong to the group of politicians who like others to interfere in their area of activity, in order to have an excuse for poor government.

He wants to govern alone, so as to verify the results in the end and emerge the sole winner or loser. For this reason, he respects the authority of the president of the republic.

But this way of viewing the relations of the prime minister and the chief of state suits Soares as well.

Soares is basically interested in an attitude toward him of a delicate and reverent sort on the part of Cavaco Silva, who is respected by the country, since this enhances the prestige of the presidential post that he holds.

On the other hand, Soares aspires to enjoy the support of the two major sectors which make their influence felt in Portuguese politics--the socialists and the social democrats.

Therefore, since he sees that the majority in the PSD are loyal supporters of Cavaco Silva, he will take no action which might be viewed as a challenge to the present prime minister.

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# CONSTANCIO DISCUSSES FUTURE OF SOCIALIST PARTY

Lisbon SEMANARIO in Portuguese 27 Sep 86 p 3

[Interview with Vitor Constancio by Manuel Anta; date and place not given]

[Text] Party May Change Its Political Timing

[Question] The polls make it clear that Vitor Constancio is losing all along the line in the clash with Cavaco Silva, his main opponent.

[Answer] About this situation, if indeed it represents the reality, I think the following. In the period following the Socialist Party congress, when we were exposed to mass media attention, the public opinion polls, as was natural, showed popularity figures for me close to those of the present prime minister. He, it will be remembered, has enjoyed the best propaganda conditions with relation to the public for more than a year. Nothing could be more natural than that following this period of great prominence in the mass media, my popularity level is down. The fact nonetheless remains that as a result of the congress and my leadership, the PS has gone up in the polls, and our position today, from this point of view, cannot be compared with that we previously had. Moreover, my personal popularity level is above that of the party. This gives us excellent reasons to hope for greater PS recovery, so that the most immediate political goals can be achieved.

[Question] And they are?

[Answer] Recovery of a leading position for the PS on the Portuguese political scene; recovery of the votes lost to the PRD; and making the PS into the only credible alternative to the present government. And, since I am doing well in the polls, they tell us that we are on the right path.

## Ethical Fidelity

[Question] Rigor and ethics--these were the key words in your speech, in an implicit assertion that prior to your achieving socialist leadership, they were missing from the vocabulary and the practice of the PS. Whether you like it or not, will these concepts continue to be a kind of stone of Sisyphus for the PS, infinitely heavy but always rolling downhill again?

[Answer] There is no reason for your question, particularly since you are trying to extract from my speech the idea that in speaking of ethics and rigor I was attempting a negative comparison. For many years now these values have been a priority concern in my political discourse. I have not just begun now to refer to them. In speaking of them, I am not seeking to make comparisons with other situations, but am merely affirming what is my style of political action.

The reason for the existence of the PS is to defend not interests but values and principles. It is obvious that ethical concerns have always been a part of the life of the PS.

[Question] This conflicts with the image of some of the former leaders...

[Answer] That is a conclusion which the public must draw, and it is not for me to do so. My task is only to remain faithful to what I think my role in political life should be. And nothing more!

#### The Bipolar Option

[Question] You said recently that any alliance with other parties is excluded. Has the PS of Constancio discovered the charms of bipolarization?

[Answer] The strategy of the PS is in fact to present itself in the coming elections, whenever they may be held, without any commitment to or alliance with another party. The purpose of the strategy of the PS is to succeed in establishing a more stable political or party system in Portugal. This will only be possible if there are two large parties offering themselves to the electorate as alternatives.

[Question] This is called bipolarization.

[Answer] The word has taken on other connotations in Portugal because of the way it was presented in 1980, and I do not like to use it. What I am seeking is a bipolar system with two hegemonic parties. The healthy functioning of Portuguese democracy in such a way as to offer the citizens alternatives and to guarantee greater stability depends upon it.

[Question] And what if one of these two hegemonic parties wins the elections and finds itself forced to form a minority government? Do you agree that in such a case stability will vanish?

[Answer] No, provided that this government taking office as a minority knows how to negotiate and to emerge strengthened by a constitutional mechanism which enables it to govern, or if we have a coalition of much smaller parties. A government made up of one large party and another or several other smaller parties (very much smaller) can function with some efficiency, but this is not the case with coalitions of parties of approximately the same size.

[Question] Can the PS initiate talks now, then, if it wants, with a party definitely smaller than it is--for example, the CDS, so that in a favorable post-election period the two could establish themselves in the government?

[Answer] No. That situation is unrealistic. The PS is not seeking an arrangement. Its political position is very clear at this time--we are in the opposition and an alternative. We are not, however, a merely destructive opposition, but are prepared to go ahead with our own proposals and to negotiate. However, we will vote against the government whenever a question of censure or a vote of confidence arises.

#### Manipulation and Scandal

[Question] Is the conclusion, then, that the PS is not in a hurry?

[Answer] This was said during the campaign before the congress and afterward--we are not in a hurry. However, it is a fact that the government persists in practices which in my view distort some of the operational mechanisms of the democracy and even of the state of law, such as the establishment of patronage groups in the North and South of the country, and above all the control and manipulation of the media. All of this is aggravated by the scandalous practice of using advertising spots to announce state measures. We may even change the political timing as first established.

[Question] Which means what?

[Answer] For the time being, merely a warning. If, however, a political crisis develops, either because the government causes it or because the PRD ceases to serve as the government's crutch, the PS is prepared to discuss any type of solution. Even elections.

[Question] You spoke a moment ago of government manipulation of the mass media. This is a strange charge coming from you--the secretary general of a party which, while in power, made of the media a private reserve.

[Answer] I do not agree with the premises of what has just been said, and I would remind you, moreover, that Professor Cavaco Silva also said, when he came to the PSD, that he wanted to put an end to manipulation of the media. Now there are aspects of media manipulation today which have never before existed in Portugal. I am speaking of the scandalous practice of using advertising spots for putting out pure political propaganda, using public funds. This has never before been seen in Portugal, and it transforms government leaders not into aspiring statesmen, but into common petty politickers. I am also speaking of the fact that never before in Portugal has economic information been juggled in this way. As far as I know, no government body has issued an analysis of the economic situation since the beginning of the year. Thus far, the government has even refused to give the parliament the results on the 1985 budget or the 1986 Supply Fund accounts. No index of industrial production for 1986 has been published to date, perhaps because the index for the first 3 months of this year was below the industrial production level last year.

#### Consumer Populism

[Question] In the economic sector, your criticisms of the government are endless. Is it possible to do better? And how?

[Answer] I think that it is possible to do much better in a situation in which the improvement in the international situation has given Portugal a very broad area in which to maneuver. This year we will have a balance of payments for current transactions with a surplus considerably in excess of \$1 billion, exclusively as a result of the decline in oil prices, in the prices of other raw materials and in international interest rates. On the other hand, this situation has very important budget consequences. The 1986 budget deficit will be lower than that initially expected by more than 100 million contos, a situation which, up to this point, the government has concealed.

[Question] Faced with a situation like this...

[Answer] ...there could be in Portugal greater economic growth, strengthened investment, and, based on more jobs, an increase in the labor contribution to the national income and resolution of the problem of back wages on a larger scale. On all these issues, the government has failed, causing the country to lose a tremendous opportunity.

With a short-term, provisional policy of consumer populism based on the elections, none of the basic problems of the economy has been attacked. The government failed to establish any system for the recovery of enterprises in trouble or for making them viable. It has taken no decisive steps toward reorganizing industry in any sector, nor has it reorganized the state business sector or continued the proper reorganization of the financial system.

Confidence in Soares

[Question] Alvaro Cunhal recently talked of a government of "independents."

[Answer] I believe that any political crisis which might occur would have to be analyzed on the basis of concrete conditions. It would be irresponsible to establish a definitive position now with regard to various possible scenarios, since this might compromise a solution which, faced with a specific existing situation, might prove the best. I can tell you, however, that a solution involving a government of "independents," and one administered and supported by the parties to boot, is still quite unusual in a democratic regime.

[Question] Everything seems to be smooth sailing between Belem and Sao Bento. Since during the last PS congress there seemed to be a clear preference on the part of Belem for the Gama "solution" over that Constancio proposed, aren't you afraid these excellent relations may at some later date work against you?

[Answer] Although one can do no better than to question the source, I reject your conclusion about the position of the president of the republic during the last Socialist Party congress.

In connection with the basic question you are asking me, I have confidence in Mario Soares and in the honest way in which he has been carrying out his duties as president of all the citizens of Portugal.

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POLITICAL

PORTUGAL

# MEMBERS OF CONSTANCIO'S SHADOW CABINET IDENTIFIED

Lisbon EXPRESSO in Portuguese 27 Sep 86 p 2

[Article by Teresa de Sousa]

[Text] What is the clear image Vitor Constancio wants to present of the post-Soares PS? Is it that produced by the structuring of the new shadow cabinet which he solemnly presented to the country on Wednesday, or that which emerges from the composition of the national secretariat elected at the congress last June?

It could always be argued that the two bodies play different political roles, one being an executive leadership body which defines party strategy, while the other is the spokesman for "the sectorial policies of the PS" and its "assertion as a government alternative." The socialist leader himself made a point of emphasizing this in the speech he gave when he introduced his shadow cabinet.

However, the question is the more legitimate since many of the political figures whom the secretary general of the PS would have liked to see underwrite his candidacy for leadership are participants in this new structure, and the national secretariat was the end result of the arrangements and compromises needed to guarantee an easy victory at the congress.

Apart from the proportions between the minority and the majority which Constancio is believed to have sought to maintain in the structure of this new body, it can be no accident that it includes such individuals as Gama or Antonio Barreto (while Almeida Santos, for example, is absent), Guterres, Sampaio and Cravinho--auguring (almost) the "ideal" PS Constancio is thought to have wanted to rally in support of his election to succeed Mario Soares.

Technical competence as a criterion, linked with the desire to escape the sectorial "lobbies" of the PS, is another characteristic which stands out in the choices made by Vitor Constancio. As a result, the fact that an independent of a technocratic cast emerges as the official in charge of the agricultural and fishing sector can be no accident, while a recent adherent of the PS, with open ideas unrelated to any "duty" to the powerful trade-union structure headed by Torres Couto, has been chosen as the spokesman for labor and social security affairs.

It is possible to note also that the "shadow ministers" of a more technical sort have come to this socialist structure by way of their direct links with the secretary general (with the exception, perhaps, of Vera Jardim), and may serve to strengthen what one hears called today the "pro-Constancio faction." Or, in other words, the route towards consolidation of Constancio's leadership in the next congress, following the phase of "conquest" through which the former governor of the Bank of Portugal had to pass.

For all of these reasons which can be glimpsed behind the organization of the shadow cabinet of the PS, the public risk taken by the socialist leader on last Wednesday entails a double danger.

On the one hand, the very establishment of a new structure with as little tradition in Portuguese politics as the shadow cabinet will not be an easy task. Above all when the PS has to do battle on various fronts (against the government, the renewal faction and the communists themselves) in order to move away from the delicate position in which the 6 October elections left it and to impose itself as the main force opposing Cavaco Silva.

On the other hand, the coordination of the various PS "images" and "structures," the management of the multiple factions and groups, will require that Constancio evidence tremendous capacity, so that this complex game of internal balances consolidates his leadership rather than resulting in chaos.



Antonio Baretto



Antonio Guterres



Armando Trigo de Abreu



Eduardo Ferro Rodrigues

Recently returned to the PS, he became famous as the "father" of the Basic Agrarian Law. He has now opted for a more "cultural" post, and perhaps one with greater impact in the long run. He is one of the figures with the greatest political weight in this shadow cabinet, although he is not a member of any of the leadership bodies of the PS. He served earlier as minister of trade and tourism and agriculture under the first and second Mario Soares governments. A deputy for Evora, 43 years of age, he has a doctorate in sociology from the University of Geneva. In the "war" between Gama and Constancio, he maintained the careful neutrality of one who regards himself as an "equal."

Antonio Guterres

A politician par excellence (he is today the strong man of the socialist organization), he has in addition a sufficient background of experience to justify his appointment to the industry and trade post. An engineer, 37, he

has always been professionally linked with the public institutions for economic planning and industrial development. He left the post of director of the IPE recently to devote himself body and soul to his preferred profession--politics. At the IPE, he promoted a program of support for the technological modernization of Portuguese industry, which may have developed the skills needed for efficient operation today in an area as complex as industrial policy.

#### Armando Trigo de Abreu

An "illustrious unknown," he has been appointed to this shadow cabinet almost exclusively because of his technical competence. An agronomical engineer, 45 years of age, he is regarded as an expert on water resources, an issue regarded by the PS as having priority in environmental policy. The official in charge of this explosive sector was appointed this year as coordinator of the programs of the National Scientific and Technological Research Council and as national administrator of the Scholarships Program of the Scientific Affairs Division of NATO. In the PS, his activity has always been discrete. He has been aligned with the former secretariat and was a member of the National Socialist Commission from 1980 to 1982.

#### Eduardo Ferro Rodrigues

An economist, 36 years of age, he recently joined the PS, having formerly been affiliated with the New Left. And, like Gomes da Silva, he is one of the great novelties in this shadow cabinet. Although in charge of a department as delicate as labor is, he does not come from the trade-union apparatus of the UGT. This gives him reasonable maneuvering room at the outset for dealing with labor legislation, which is such a polemic sector. He is a guest professor at the Higher Institute of Labor and Business Sciences and a technician at the GEBEL. However, his profile is markedly political.



Fernando Gomes da Silva



Ferraz de  
Abreu



Jaime Gama



Joao Cravinho

An economist, 48 years of age, he is the only independent in this shadow cabinet, and he is perhaps one of the greatest surprises among the choices made. The official in charge of the agriculture department of the Pinto & Sotto Mayor Bank, he is regarded as one of the most competent Portuguese technicians on agricultural matters, particularly in the field of agrarian economics. Politically, he has been situated between the PS and the PSD. The fact that he was one of the closest collaborators of Antonio Barreto when the

latter was minister of agriculture under the second Soares government certainly weighed in his favor. He also worked with Constancio on the European Integration Commission.

Ferraz de Abreu

The political rise of this physician of 69 who has been appointed to the health post in the shadow cabinet is recent. The vice president of the socialist parliamentary bench, he was on the slate of candidates for the national secretariat of the PS elected on the recommendation of Constancio at the last congress, which caused some surprise. His is not the profile of a politician, but rather that of a sensible man and mediator of conflicts.

Jaime Gama

One of the socialists with the longest political experience, despite his 39 years, he was defeated by Constancio at the last congress but is today one of the most credible voices when it comes to defense issues. He heads the parliamentary commission in that sector, where he has pursued work disturbing to the present executive branch, which has in this sector one of its weakest points. He belongs to the socialist minority and he has previously served as minister of internal administration and foreign affairs.

Joao Cravinho

An engineer, 49, he came from the ranks of the so-called ex-GIS. He has already served as minister of industry and has until the present been the spokesman of the PS on economic matters in the parliament. A politician of known technical competence, he is nonetheless an especially polemic figure, not only because of the forthrightness with which he normally defends his positions, but also because of the tendency of the theses he defends, sometimes regarded as too radical. The fact that he was not included in the national secretariat chosen by Constancio at the last socialist congress was viewed with some surprise. However, he now has a leading place in the finance and planning sector in the shadow cabinet of the PS.



Jorge Sampaio



Luis Filipe  
Madeira



Miranda Calha



Murteira Nabo

The man in charge of the explosive international relations sector in the national secretariat of the PS, he is taking over the foreign affairs sector in this shadow cabinet. Although he was never, like Gama, minister of foreign affairs, he did hold the post of secretary of state for foreign cooperation

under the Fourth Provisional Government, and he was closely involved with the negotiations with the FRELIMO and the People's Republic of Mozambique of 1975. He was a member of the European Commission on the Rights of Man for 5 years, and he is regarded as knowledgeable on international issues. The possibility that he will impose an orientation different from (less pro-American) that pursued under the leadership of Soares on the foreign policy defended by the socialists is understood.

#### Luis Filipe Madeira

The choice of the former president of the Algarve Regional Tourism Commission to head the internal administration department was not an obvious one. Filipe Madeira is neither an influential politician nor a technician of recognized competence. However, he is a member of the national secretariat of the PS and has close ties with the Algarve region. These two reasons may perhaps have led Constancio to choose him, in the complex interplay of criteria which govern the composition of this cabinet.

#### Miranda Calha

He belongs to the socialist minority and is regarded as Gama's "right-hand man." The man who will head the youth and sports sector in the socialist shadow cabinet is 38 years old and has a degree in Germanic philology. Miranda Calha is, moreover, an experienced politician from the former Soares majority who enjoyed tremendous popularity and whose competence in the post of secretary of state for sports under the last Soares government was recognized. He served as secretary of state for regional and local administration under the second government headed by the current president of the republic.

#### Murteira Nabo

This circumspect socialist of 47, who has a degree in economics, won public notoriety when he served with unanimously acknowledged competence in the post of secretary of state for transportation under the "Central Bloc" government. As the official responsible for the transportation and communications sector, Murteira Nabo supported the positions of the so-called ex-secretariat, but his technical reputation almost always placed him above this traditional internal division among the socialists. He is a member of the board of the PS Studies Office and an alderman in the Lisbon Municipal Chamber.



Vera  
Jardim



Rosado  
Correia

**Vera Jardim**

A lawyer of 58, he was a contentious candidate for the Order. He came into the PS with a group formerly belonging to the GIS, in which his friend and colleague Jorge Sampaio was a leader. Discreet in his party activities, he served two terms as a voting member of the PS Arbitration Commission, being always aligned with the former secretariat in the battles which marked the internal life of the party from 1980 to 1983. In the justice post in the shadow cabinet now, he served as secretary of state for foreign trade and tourism under the Second and Third Provisional Governments, during which time he worked closely with the present socialist leader, who was also a secretary of state at that time.

**Rosado Correia**

An architect from Oporto, 46, he served as minister of social infrastructure under the last Soares government. He is an alderman in the Oporto Municipal Chamber and a member of the political and national commissions of the PS. Since he is a friend of Almeida Santos, his support of Constancio at the last PS congress caused some surprise. The great popularity he enjoys in the self-governing bodies and among the socialist militants in the northern part of the country will certainly have played a part in the fact that he was chosen.

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POLITICAL

PORTUGAL

# PCP REPORTED AVERSE TO BIPOLARIZATION

Lisbon SEMANARIO in Portuguese 20 Sep 86 p 2

[Article by Marcelo Rebelo de Sousa]

[Text] Just as Expected

The PCP and its efforts to lead the opposition. The October labor campaign. The goal of minimizing the merits of the economic and social policy being pursued. The urgent need for unity with the government to defeat the communist strategy. All of these subjects were the leading topics of the main speeches made at the PSD National Council meeting held last weekend, beginning with the lengthy address by the president of the party and prime minister.

Strictly speaking, everything was predictable. No surprises, no exceptions. Political logic is that way--inevitable. What must be will be. However, let us review this logic.

Our article last week had to do with only one of the two aspects of the planned communist escalation--the social aspect.

In the social sector, the communists are preparing a strike campaign for the autumn. And in this connection, there are many who agree with them.

The crucial question which remains is, however, different. Will these people also agree to the risk involved in the political attack by the PCP on the trend toward bipolarization, attempting to make General Eanes into the chronic but most promising guarantor attached to Dr Cavaco Silva?

Because the tactical talent of the PCP can be seen precisely in this double and double-dealing campaign.

On the one hand, it threatens strikes. And with the other, with its parliamentary political opposition, it beckons.

It is challenging the economic and social policy of the government through the trade unions. And it is disputing the trend toward bipolarization and its own political extinction in the great national debates.

## A Superb Economic Situation

The fact is that the PCP (which is usually quick to foresee the future, even that which can victimize or minimize it) now realizes that the present economic situation is unparalleled. Never since 1976 has any constitutional government enjoyed such excellent economic prospects (not even the government of Dr Sa Carneiro).

The effects of the policy of the preceding government, which could already be felt in the second half of 1985 (in the recovery of exports, the turnabout in the balance of payments, the slowing of inflation), plus the international situation (decline of the dollar; the drop in oil, which alone meant a gain of about \$1 billion for Portugal; the prices of raw materials and community aid)--all of this together has produced a gala year for the Portuguese economy.

Thus there are those who are already speaking of a balance of payments surplus of \$1.6 billion and a state budget deficit 150 million contos below what was expected (which, moreover, has made various populist measures possible for Dr Cavaco Silva).

Obviously, uncertainty is preventing an investment upsurge. Obviously, any lasting disturbance on the foreign markets could affect the exceptionally optimistic picture. Obviously, a burst of consumerism might push the rate of inflation up again toward the middle of 1987.

But overall, Dr Cavaco Silva has had unique luck, and he has been able to manipulate it (with careful economic "timing"), to make it profitable and to turn it into an economic talisman (controlling inflation), such as to make it possible to draft the budget and a medium-term development plan (finally!). Taken alone, this merits praise.

## The PCP at a Crossroads

We have, then, a superb economic situation in 1986, and very probably will have for 2 or 3 years more.

We have, then, investments which will inevitably begin to increase when all of these factors are understood.

We see, then, that Dr Cavaco Silva is a very fortunate politician, but also one with undeniable financial and economic competence, and this merits praise.

We also see that Dr Cavaco Silva and his government are making it a point (as has never happened in democratic Portugal) of managing the publication of all reports, studies and public indices, even those of the autonomous state administrative institutions, themselves. This is an abuse, alien to democratic practice, but one which allows the government to influence public and economic opinion itself under the conditions most desirable for its own purposes.



In view of this undeniable reality, wherein a politically weak government has before it an optimistic economic picture, what can the PCP do? It can do one of three things. For example, it can seek to bring it down, before benefit is derived from a gradual recognition of a good economic situation.

Or it can resign itself to the fact that this economic situation is favorable to political stabilization lasting beyond this economic oasis, which would entail accepting bipolarization.

Otherwise, no path remains except to attack bipolarization, maintaining the present chaotic political and party situation and emphasizing the dependence of Dr Cavaco Silva and his cabinet on General Eanes and the PRD.

Which of these three paths will be pursued by our fellow countrymen who are communists?

#### Bringing the Government Down

As to forcing the cabinet out by an effort headed by the PCP, this is a typically impossible scenario.

It could not be done with massive strikes, nor with the real strength which the PCP would like to have but does not have today, even with all its appeals for unity of the opposition parties.

Even if this CDS were to die of envy, resentment or inanity in the presence of this PSD, the communists and the conservatives together would not have strength enough to bring down the government. Apart from the fact that Dr Adriano Moreira, who already suffers from the misfortune of heading a party which does not know where it is nor what fatal curse has befallen it, would have great difficulty in explaining to the centrist militants in Alijo the reason for alignment with Dr Cunhal against Dr Cavaco Silva. Neither their similarity of age, nor memories of the past, nor the harmony of the shared experience of their many years could console these blessed ladies when they are faced with the first visible indication of the Apocalypse--Christ extending a hand to the devil.

Similarly, no immediate step toward censuring the government can be expected from the PRD, just at the moment when General Eanes needs Dr Cavaco Silva to help him get into the saddle of power with the democratic renewal faction.

There remains the PS, which has already stated clearly that this is not its scenario. It will not vote at this beginning of the legislative session for any motion to censure the government. Nor will it provoke such a move unnecessarily in connection with the state budget.

This cannot be the scenario favored by the PCP, then.

#### PCP Aversion to Bipolarization

A second possible scenario would be resignation on the part of the PCP to an inevitable, gradual, sad and complicating decline.

Only this scenario, which in all good conscience would be the best for Portugal and the Portuguese citizenry in general, is not that for the PCP.

Unless we were to see, after 3 or 4 years of economic calm, a realization by the PSD and the PS that the time has come to create a political system which will guarantee future stability, even in periods of recession or economic crisis.

This is why the Portuguese party system is moving toward bipolarization, a context in which the PSD and the PS are credible points of focus for governmental alternatives.

This requires new legislative elections prior to the constitutional revision, and also depends on that revision and the electoral system.

Now the PCP needs to block this scenario, whatever the cost. It needs to mount an attack, although subtly, on the new PS leadership, which has already made it clear it relies on bipolarization and a communist decline. It needs to keep the PSD hesitating as to whether bipolarization is good or bad. It needs to advance by dint of maintaining lack of definition and the fears of others. It needs to pray with full (agnostic) fervency that the other forces will continue to navigate within sight of the coast.

But bipolarization never, as this would be fatal to the PCP.

Drawing Cavaco into the Arms of Eanes

There remains a third path, which would involve everything remaining the same politically, to the point of returning again to a period of economic crisis.

There are 2 or 3 years during which, since it is not possible to bring the government down immediately, it would then be possible to erode it socially, while guaranteeing that it would be this parliament which would vote on the constitutional revision.

With this parliament, the revision might well be a contradictory and senseless patchwork quilt. More authority for the parliament and less for the government. A touchup here and a little glue there, with everything negotiated on the basis of the subtleties of the PCP added to the resentments of the CDS and the imponderable moods of the democratic renewal faction.

Nothing promising for or favorable to bipolarization here.

Meanwhile, the PCP knows that with this government which represents a minority and is therefore politically weak, with a PRD which needs the PSD in order to stand on tiptoe, but can give the PSD the life insurance needed for a few more months in government--with all of this disturbance, it is the party which is the winner.

In short, the PCP will play every possible card to prevent bipolarization, drawing Dr Cavaco Silva into the arms of General Eanes.

The greater the lack of definition, confusion or political error, the better.  
But watch out!

It is this strategy which must be soundly trounced.

It is necessary to know what those who talk so much about the need to defeat the PCP and its strategy are thinking and saying. Will these be only words or will they proceed to action?

Are they satisfied with an alibi or do they want to resolve the problem?

Will they retreat in flight or do they want to advance toward the future?

Are they merely protesting the political strikes or do they actually want us to have bipolarization?

Do they only want to proceed to manage and enjoy the economic manna, or have they courage enough to use it to create true political stability in Portugal?

Are they statesmen because they can wait (weeks, months or years and years) or are they statesmen because they measure up to the true dimensions of the state?

There are many of us opposed to the strategy of the PCP. Today. At least verbally.

It remains to be seen how many of us there will be at the moment of truth, when it comes time to say yes or no to bipolarization.

It will be beyond understanding and tolerance if people who have the standing and the conditions necessary to recreate Portugal politically were to run the risk of zealously trying to correct the economy while letting new central bloc methods flourish. This would be like treating the fever while ignoring the malignant growth.

And Dr Cunhal would be laughing. Even while losing, he has already seen many adversaries who were extremely useful to him being born, growing and dying politically. Some of them even claim to be anticommunist.

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POLITICAL

PORTUGAL

#### DEVELOPMENTS AT PCP-PRD CONFERENCE REPORTED

Lisbon DIARIO DE NOTICIAS in Portuguese 26 Sep 86 p 3

[Text] Delegations representing the PCP and the PRD held the first meeting yesterday in a series of conferences with other parties scheduled for the next few weeks on the initiative of the communists. The purpose, according to Alvaro Cunhal, is to discuss the present political situation with "the democratic parties."

The secretary general of the PCP, who said that his party has invited the PS, the MDP/CDE, the "Greens," the UDP and the PSR to participate in meetings of this same type, said that he believes it is "fundamental at this time for all democrats to reach an understanding, in order to find a democratic solution to the serious problems of the country." Such a solution, he said, requires a "convergence" as an alternative to the present government.

Herminio Martinho, the head of the democratic renewal delegation, for his part, said at the conclusion of the meeting held in the national headquarters of the PCP, which lasted about 2 hours, that his party is available for dialogue with the other political forces, and that it was "natural" to accept the invitation from the PCP.

Martinho emphasized that "it is public knowledge" that there are "differences" between the two parties on the political proposal and program levels.

On this occasion, he reasserted the position adopted, to the effect that the present executive branch "has the legitimate right to govern," and that the PRD has granted it a period "of confidence" (which has not as yet expired). Moreover, he termed the conflict between the cabinet and the Assembly of the Republic "artificial," going on to say that the PRD "views with some concern" the fact that the executive branch is seeking "to challenge the opposition in every possible situation."

The president of the PRD, speaking about the budget and his statements to the effect that he foresees no "difficulties" in the parliament when it is debated, emphasized that his statements were misinterpreted, because, he said, his party has not as yet seen the document and therefore has made no statement on the subject.

In addition to the two party leaders, the meeting was attended by Carlos Costa and Carlos Brito (of the PCP) and Marques Junior, Jose Carlos Vasconcelos, Vasco Marques and Paulo Guedes Campos (of the PRD).

POLITICAL

PORTUGAL

BRIEFS

CAVACO SILVA'S POPULARITY--A popularity pole made available to the government in recent days will influence Cavaco Silva's strategy for the coming months (see p 5). The results show an increase in the prime minister's popularity, which is not matched by the popularity of the cabinet or the PSD. Cavaco Silva is running comfortably ahead of the executive branch and enjoys greater favor than the PSD. This fact led Cavaco Silva to abandon the possibility of a drastic change completely, and to choose to extend the government's period of action in an effort to raise the popularity level both of the government and party. On the other hand, Cavaco does not want to be blamed directly for creating the crisis, leaving this role to the opposition. This is also likely to be one of the weapons in his electoral campaign. [Text] [Lisbon SEMANARIO in Portuguese 20 Sep 86 p 64] 5157

CSO:3542/8

POLITICAL

TURKEY

DIPLOMATIC, TRADE RELATIONS WITH BLOC EXPANDED

Budapest MAGYAR HIRLAP in Hungarian 8 Aug 86 p 2

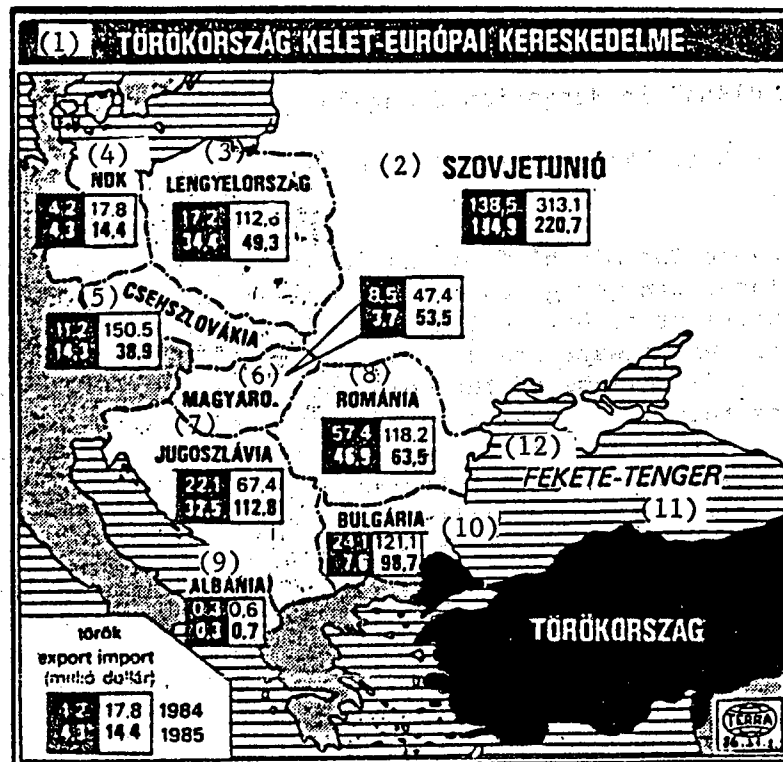
[Article by Pal Feher: "East of the Bosphorous." The socialist countries and Turkey.]

[Text] According to the mischief-makers this year, the pilots of Turkey's government airplanes can not go on their summer vacations. Even though the gossip did not prove true, but that much is fact that the specially trained personnel must always stand ready to in case of need fly the official delegations in any directions of the compass. On several occasions this summer the planes furnished with the half-moon markings were dispatched in Eastern and Northern directions. It can be seen that Turkish diplomacy is paying increasing attention to grooming the connections it maintains with the socialist countries. In June of this year, the president of the republic, Kenan Evren visited our country, then not much later the chief Turkish diplomat, Vahit Halefoglul went to Prague. Next month prime minister Turgut Ozel visited Bukarest. And the Turkish diplomatic yearbook to be issued at the end of the year will obviously treat last week in a special way. The head of Turkey's government made an official visit to Moscow, reciprocating Nikolai Tikhonov's 1984 Ankara visit.

Recent relationships between the two countries reach back over six decades. After the conclusion of World War I, the Leninist Soviet state extended significant military and economic aid to the young Turkish Republic fighting a life-or-death struggle. But this does not mean that with the passing of years there were not problems in the relationship of the two countries. The Soviet Union especially disapproved of Turkey's becoming a NATO member and permitting American bases to be established along the [Soviet-Turkish] common border. This is even more important since turkey is the only NATO country bordering on the Soviet Union. (Not counting Norway's very short common border with the Soviet Union above the Arctic Circle, in inclement climate.)

In spite of all these factors, the relationship between the two countries has improved recently, even if we cannot speak of a "breakthrough." The Soviet Union provided help to improve Turkey's nonferrous metallurgy and even though, figuratively speaking, cannons stare at each other along their border, the two countries are linked by high-tension cables through which the Soviet Union furnishes Turkey with electricity.

Even more significant is the agreement they signed two years ago. According to the contract, the gas pipeline the other end of which will be at a Soviet natural gas field, will in 1988 reach Turkey's European areas. According to plans, each year 6 billion cubic meters of natural gas will travel from North to South by the end of this decade. This is even more important to Turkey's industry because in Anatolia they can find practically every raw material except for the energy sources. Turkey will probably pay for the natural gas with agricultural and consumer goods.



[Key to Figure. 1. Turkey's East European Trade 2. Soviet Union. 3. Poland 4. gDR 5. Czechoslovakia 6. Hungary 7. Yugoslavia 8. Romania 9. Albania 10. Bulgaria 11. Turkey 12. Black Sea 13. Turkish export--import (\$ million)]

Both parties emphasized their mutual interests during the now-concluded visits of the heads of governments. The toasts showed that in the future the Soviet Union and Turkey would like to realize more concrete ideas in the area of economic cooperation. That is also the purpose of the documents they signed, since they have decided to expand the political, scientific, cultural and sports ties.

These are necessary especially since in 1985 Turkey's trade with European socialist countries decreased significantly. With the exception of Hungary, Yugoslavia and Albania, a strong cutback was seen in Turkish purchases. As a consequence of this, imports decreased by over 30 percent, from \$948 million to \$652 million. This process appears close to being halted by Turkish diplomacy, and trade and industrial experts are turning in the direction of European socialist countries.

Naturally, not only economic problems were discussed at the recently concluded Moscow talks, in spite of the fact that reporters assigned to Ankara are of the opinion that Turgut Ozal places economic problems ahead of political ones. Among the latter, the emphasis was primarily on the Cyprus question. In January the Soviet Union sent a comprehensive settlement proposal to the interested parties. Ankara has rejected this already at the time, saying that withdrawal of the Turkish troops from the island country can take place only after certain preconditions. It can be considered as good news that even if no agreement was reached on the Cyprus question and on other international questions, this has not led to the deterioration of the relationship between the two countries.

They have recognized in Ankara that the situation currently existing in the country's environment is offering a great opportunity to Turkey. The relatively strong and growing industry, the large number of people in the armed forces and Turkey's strategic location offers the possibility for the one-time sick man of Europe to become a medium-range regional power. Its currently still weak economy is at the present time an obstacle to this. But over the long range, it is not impossible for Turkey to accept a more significant international role than before--since in the immediate neighborhood of the Near-Eastern conflict and of the Iraq-Iran war, it represents even now a certain role as a stabilizing factor and it is absolutely necessary for this to maintain good relations with the socialist countries.

8584/12828

CSO: 2500/463



POLITICAL

TURKEY

# COUNTRY SAID HAVING PROBLEMS WITH NEIGHBORING NATIONS

Istanbul MILLIYET in Turkish 26 Aug 86 pp 1, 13

[Text] Ankara--The latest developments produced by the chasing into Iraq of bandits infiltrating into Southeastern Turkey has led to new tensions in Turkey's relations with its neighbors which were not very good to begin with.

The attitude of Libya, Syria, and Iran, which perceive the actions that the Turkish Armed Forces have taken--within the framework of the "hot pursuit" rule and with the prior agreement of Iraq, against the bands that enter Turkish territory and engage in armed activities--as a move against ethnic minorities in other countries, has caused a chill wind to blow in their relations with Turkey.

It is reckoned that this was one of the questions discussed at the hurried visit that Syrian President Hafiz Al-Assad paid to Libya for talks with Qadhafi.

Syrian Vice-President Abdulhalim Khaddam also went to Tehran 3 days ago and had talks on Turkish military activities on Iraqi territory. Iran's reaction to Turkey's military actions--expressed in the statement issued following this meeting and described to a certain extent as "rather belated"--is said to have been half-hearted and the result of pressure by Syria and groups close to the Kurdish brigands.

Turkey is using diplomatic venues to the maximum to allay our southern neighbors' concern over military action in Iraqi territory. A foreign Ministry statement said that the target of the military action was not the civilian population but solely the separatist bands and that norms of international law were not exceeded, and Minister of Trade Cahit Aral had a meeting with Colonel Qadhafi during his visit to Libya. Aral explained to Qadhafi that the operation was directed not against any particular ethnic group but bandits.

In a separate effort, the Foreign Ministry has kept in touch with Iran to point out that the military intervention was not meant as assistance to Iraq in the Iran-Iraq war. The incident, nevertheless, proved an undesirable new factor for tension in Turkey's relations with its neighbors.

As for our long-standing chronic problems with our neighbors, they continue unresolved and unabated.

## 1. Problems With Greece

Turkey's tensest relations are with Greece. With Turkey's recent decision to apply to the EEC for full membership, this tension looks set to get worse. Being aware that the improvement of Turkey's relations with the EEC will greatly hamper its efforts to settle leading Turkish-Greek problems unilaterally in its favor, Greece is trying to keep Europe apart from Turkey as far as possible. As a result, it is constantly engaging in measures designed to increase tension. Thus, it is militarizing the Aegean Islands, claiming that Turkey covets these islands and, at the same time, it is implementing a warlike new defense strategy against Turkey, its NATO ally. On the diplomatic side of this strategy, Greece is using the support of the Greek lobby in the United States to compel the Reagan Administration to go slow in its relations with Turkey. It is also trying to mobilize the Europeans against Turkey.

For some time past, Greece had exploited the issue of human rights in Turkey in international forums in Europe. As this weapon slowly lost its validity, Greece began to shift focus to the claim that "Turkey covets the Aegean and Cyprus." Within the framework of this strategy, and despite all calls by Turkey for talks, Greece is carefully keeping the Aegean issue alive as one of a sea beset by problems. The well-known problems of the Aegean are the continental shelf, the extent of territorial waters, the airspace, and the Flight Information Region [FIR]. Greece, trying to use the Civil Aviation Authority as a tool of its policy, remains persistent in its demand that the route it has drawn up for the flight line must be adhered to.

Another problem which is certainly not conducive to an easy solution arises from the pressures exerted against the Turks in Western Thrace. The Greek Government is trying to gain control of the religious leadership of the Turkish minority in order to have a free hand to apply and carry out these pressures. The Turks of the minority are striving to resist these pressures.

## 2. Problems With Bulgaria

Efforts for the Bulgarization of the Turkish minority lead the list of the problems that have darkened Turkey's relations with Bulgaria in recent years. In the period prior to 1980, the problem between the two countries was the question of contraband in narcotics and weapons. But Bulgarian efforts to force Turks to change their names and to obliterate the Turkish entity in Bulgaria have caused a substantial shift in the direction of relations.

The uncouth behavior, ill-treatment, and heavy traffic fines meted out by Bulgarian authorities to Turkish workers in transit constitute a second unresolved problem.

### 3. Problems With The Soviet Union

Soviet indifference to the Bulgarian efforts to Bulgarize the Turks is the main point in the Soviet attitude that is disturbing Turkey. Turkey is upset by the fact that the Soviet Union, with over 100 ethnic communities on its territory, is overlooking its own Leninist principles to remain a passive bystander over what is going on in Bulgaria.

Another problem between the two countries is the implausible procrastinations of the Soviet Union regarding Turkish requests to discuss the FIR in the Black Sea.

The ban on turbot fishing in the Black Sea by a unilateral Soviet decision is also creating a problem between the two countries as it hits the livelihood of many Turkish fishermen. The Soviets are dragging their feet over Suleymanov, the Bulgarian Turk who has sought asylum at the Turkish Embassy in Moscow, thus leaving yet another disagreeable issue in suspense. Finally, Turkey takes a poor view of the Soviet efforts to acquire a capacity for diplomatic intervention in the Cyprus problem by moving it to an international platform.

### 4. Problems With Iran

Until recently, Iran and Turkey were going through a period where they had no unresolved problems. However, the reduction of Turkish-Iranian trade from \$3 billion to \$800 million due to the drop in oil prices has initiated a period of hesitancy in these relations. Coming on top of this, Iran's opposition to the Turkish military operations in Iraq creates the impression that things are moving towards a period beset with problems.

### 5. Problems With Iraq

The signing of a Turkish-Iraqi agreement allowing the pursuit of infiltrating separatist bands across the border has solved an important problem of border security between the two countries at governmental level. Nevertheless, it looks as if the economic problem between the two countries will get steadily worse. As a result of the reduction of its oil revenues and the allocation of all its resources to military expenditures, Iraq is unable to repay its \$1 billion debt to Turkey.

### 6. Problems With Syria

The absence of a Turkish-Syrian agreement on border security and any "right of hot pursuit" agreement along the lines of the Turkish agreement with Iraq comprise one of the important problems awaiting a solution between the two countries. The guerrilla camps in Syria continue to constitute a threat to Turkey's security.

In view of Syria's known opposition to the Turkish military operations on Iraqi territory, the possibility of achieving similar border security agreement between Turkey and Syria is considered slim. Therefore, for the time being, the sole guarantee against acts against Turkey by separatist bands in Syria lies in the Syrian government keeping a tight rein on these bandits. However, the possibility that the Syrian government might lose control over them at any given time continues to keep this issue, one of the problematic issues between the two countries, a live one.

Another reason for keeping Turkey and Syria apart is the dream of the Syrian Head of State Haffz al-Assad concerning Hatay [the Turkish province that was part of Syria until 1938].

And finally, the dam building in South Eastern Anatolia has transformed Syria's need for water into one of the high-priority issues between the two countries.

13184/12624  
CSO 3554/11

SOCIAL

FEDERAL REPUBLIC OF GERMANY

# STUDY SAYS YOUNG WORKERS ARE GOAL-ORIENTED, INDEPENDENT

Frankfurt FRANKFURTER RUNDSCHAU in German 26 Aug 86 p 1

[Article by Jutta Roitsch: "Neither Upright Bourgeois Nor Revolutionary Proletariat Frankfurt Research Group Identifies Change in Values for Young Skilled Workers and Female White Collar Workers in Industry"]

[Text] Frankfurt, August 25 Today's young "working elite," welleducated blue and white collar workers in large scale industry consider themselves to be neither the revolutionary "young guard of the proletariat," nor the upright and sober citizens who prize work and well-ordered family life above all things. According to a study by a Frankfurt research group, this young elite is more likely to have marked confidence in their own abilities, and a detached attitude to work and workplace. On the other hand, however, they also exhibit a strong need for solidarity and honesty. Upon examination, they have received no political or moral guidance from unions or religious communities. As a result, they are aware that they must plot their own course.

In a study sponsored by the Bonn Ministry for Youth and Family, the "Arbeitsgemeinschaft ausserschulische Bildung e.V." [Working Group for Non-Academic Training] responsible for the project focussed its attention on the young skilled worker and the female white collar worker in large-scale industry. According to a summary of the results which has appeared, the "working elite" has received the short end of the stick in most youth studies. In addition, there is a "particular myth which centers around young workers. It is espoused not only by those holding the now-rare leftist position who want to view youth as the "young guard of the proletariat", but also by the concerned SPD works committee "that wishes to conclude its contract on the legacy of the organization with the next generation by hook or by crook by concluding it with the young workers." And this way of thinking is also true of the employers "who today look with hope to industry's youth as the flexible and functionally capable and qualified workers and professionals who are to carry through changes resulting from technological progress." The project group restricted its study to youth from the Rhine-Main, Ruhr, and Stuttgart areas. They exhaustively questioned young men and women ages 17 through 29.

The young skilled workers' attitude towards work is sensible and to the point. A career is necessary in order to make money, to be financially independent of parents, and to be recognized and acknowledged in one's circle of family, friends, and colleagues. Most could not imagine a life without working. They know exactly

what they would do if they were to suddenly have a lot of money. Sixty percent of the youth said they would cut down on their work, and in their acquired free time they would study, become involved in more social activities, or devote their time to a hobby. According to the research group, all youth had a strong need for a meaningful and self-determined work. This need was reflected again in questions concerning work ethics and virtues. Industry, order, cleanliness, punctuality are virtues ascribed to their parents' generation. Young workers see these "virtues" more as a means of discipline. "If we have to fall in, then we also want to know why and be able to have a say in the matter," is a sentiment which almost half of the youth share. Their most important social and educational goals (even for their own children) are to be independent, to have one's own opinion, and to respect the opinions of others.

In those firms which as a rule enjoy a favorable public reputation, the young men and women sense a discrepancy between that which they have learned and what is actually demanded of them. The study reports that "these everyday experiences also lead to less identification with the career work." Skilled workers (men and women) feel that they are not challenged enough. They are highly confident of their abilities. This is especially true of the women, although they are aware of the difficulties of combining career and family. According to their own statements, they are ready to assume direct responsibility and participation in company decisions. However, as representatives of these interests the unions remain a blank for the youth, although two-thirds of them are members. This alienation is said to be due to the lack of tradition in the family and neighborhood. However, it can also be explained by the comment that, "as a rule (young workers) do not join the union voluntarily."

Shaky and inconsistent are their attitudes toward private and public morals and violence. Solidarity, credibility and honesty are high priorities, but these values are dealt with in a very calculated manner. One typical statement is, "One must also be able to use honesty tactically, especially in the business world and at work." According to the interview, common sense and detachment determine their attitude to the state. The majority of the youth, however, had clear difficulties with questions concerning violence, strikes, company sit-ins, or blockades in drawing for themselves the line between legality or legitimacy.

12348/12951

CSO: 3620/808

SOCIAL

ITALY

CENSIS REPORT FOR 1980-85 DEPICTS CHANGES

Rome LA REPUBBLICA in Italian 25 Jul 86 p 5

[Article by Giampiero Martinotti]

[Text] The Italy of the eighties defies classification, labels, and the pigeon-hole into which the sociologists would like to place it. An X-ray taken of the country yields a hazy picture, and even Giuseppe De Rita, the "big boss" of CENSIS [Socioeconomic Studies Center], has to surrender: Italy absorbs changes slowly and metabolizes them through processes which are not always clearly identifiable.

The consolidation and restructuring of enterprises, the boom in the financial markets, the crisis in party and union representation and the manifestation of corporate efforts, the vertical split between policy and society are all elements that accumulate one on top of the other, without an internal hierarchy, without a driving element.

But an unsettling fact emerges from the analysis by the philosopher of the "submerged": there is also another economy that hides from the statistics, that of the underworld. The crime industry has a volume of business consisting of between 75,000 and 100,000 billion lire, and an element within it that assumes a particular significance is the corruption in the public administration sector. Between 20,000 and 40,000 public and private officials and administrators are said to be involved in percentages, bribes, and fraudulent brokerage to the tune of 8,000-12,000 billion lire, a substantial sum.

And that's not all. The estimate regarding the volume of business of illegal activities, indicates CENSIS, does not include tax evasion, illegal activities in the construction sector, and black market labor, which would significantly increase the "total sales."

CENSIS has sought to put some of the transformations on record with a report titled "Mid-Decade: Reflections and Facts about Italy from 1980 to 1985." Explaining the book, De Rita indicated the reason for this initiative: "We are sick of debates about the seventies. Everything that could be said about that decade has been said. Instead, now we need some in-depth reflection on the eighties, which are beginning to have characteristics of their own."

1980, maintains De Rita, saw the beginning of the process of industrial restructuring, the explosion of the "financialization" of the system, and the beginning of a policy that is very different from the previous one. The current decade may be defined as a continuous mixture of changes: the system blends everything "like a cement mixer," says De Rita, thus coining a new term for his imaginary sociologist; the "input" is new: "Everything is relatively new, everything is relatively slow."

De Rita does not share the opinion of those who maintain that Italy is experiencing a second economic miracle. The financial investment "boom" represents only a recovery with respect to the slump of the past years: "It would be wonderful if we were having a second miracle, but this would be true if you only looked at the financialization, and not at the relationship between finances and the economy."

In the face of the changes taking place during the eighties, CENSIS seems almost disoriented. It is no longer possible to isolate a phenomenon in order to exemplify a trend; you can only coin so many slogans for as many changes." These are the years "of the great restructuring (for the businesses), of distributive capitalism (for the tertiary sector), of financialization (for the savings sector), of the search for a stable high mean (for consumption), of the neobourgeois (for social characteristics), and of the new corporations (for the categories)."

But above all, surprisingly, De Rita affirms that these are the years in which the great desire for "deregulation" will be behind us. After asking to be liberated from "nooses and snares," society is now asking for reliable and enduring rules, a sort of "re-regulation."

Today, says the report, there is a "demand for new standards, which, arising from the not-yet-exhausted social and economic vitalism, would govern the collective and political dimension and would allow a rational reorganization of the problems related to it."

In De Rita's view, social Italy and political Italy travel on different tracks, which are always increasingly unrelated to each other. The civil society goes forward on its own and the political society has given up trying to control it and give it direction.

In short, the Palace is increasingly isolated in its impregnable blockhouse; political activity is self-justifying and keeps its distance. For De Rita, not all is negative; on the contrary. There is a risk of "schizophrenia" between the political and the social, but Italian politics are changing their structure, are "simplifying."

The separation process--maintains CENSIS with a clear reference to Craxi--"has not occurred roughly, with that simplistic decision-making that we so envied in the governments of other Western countries during the beginning of the eighties."



# Family Income and Consumption

1 regione	2 Reddito medio mensile per famiglia*			3 Consumi medi mensili per famiglia*		
	1981	1984	var. % 1981-84	1981	1984	var. % 1981-84
Piemonte	1.658	1.610	-2,9	1.556	1.350	-13,2
Valle D'Aosta	1.703	1.606	-5,7	1.528	1.343	-12,1
Lombardia	1.926	1.966	2,1	1.681	1.682	0,1
Liguria	1.499	1.472	-1,8	1.313	1.264	-3,7
Trentino	1.818	1.773	-2,5	1.487	1.530	2,9
Veneto	1.929	1.804	-6,5	1.774	1.624	-8,5
Friuli V.G.	1.750	1.677	-4,2	1.697	1.640	-3,3
Emilia Romagna	1.744	1.805	3,5	1.581	1.574	-0,5
Toscana	1.678	1.696	1,1	1.549	1.440	-7,0
Umbria	1.559	1.516	-2,8	1.320	1.229	-6,9
Marche	1.792	1.769	-1,3	1.655	1.625	-1,8
Lazio	1.636	1.677	2,5	1.541	1.478	-4,1
Abruzzo	1.908	1.466	-23,2	1.525	1.272	-16,6
Molise	1.293	1.177	-9,0	1.152	983	-14,7
Campania	1.374	1.492	8,6	1.241	1.211	-2,4
Puglia	1.354	1.367	1,0	1.197	1.162	-2,9
Basilicata	1.321	1.395	5,6	1.222	1.134	-7,2
Calabria	1.334	1.342	0,6	1.240	1.133	-8,6
Sicilia	1.405	1.346	-4,2	1.295	1.170	-9,7
Sardegna	1.284	1.437	11,9	1.149	1.320	14,9
Italia Italy	1.644	1.641	-0,2	1.487	1.417	-4,7

\* in migliaia di lire - FONTE: Elaborazione CENSIS su dati ISTAT. 4

## Key:

1. Region
2. Average monthly income per family
3. Average monthly consumption per family
4. \*in thousands of lire - Source: CENSIS processing of ISTAT data.

13318/7358

CSO: 3528/5

SOCIAL

ITALY

'TRUCE' BETWEEN IRI, UNIONS DISCUSSED

Rome L'ESPRESSO in Italian 14 Sep 86 pp 180-183

[Article by Paola Pilati: "The Big Truce"]

[Text] Prof Romano Prodi, president of IRI [Industrial Reconstruction Institute], has truly earned Paradise. Or at least that earthly paradise dreamed of by entrepreneurs which is called labor peace. You want to sell Alfa Romeo to the foreign Ford company? The labor union is completely unruffled. You have to lay off employees in the construction or the steel industry? The union takes the blow with the sangfroid of an English gentlemen. And even goes so far as to reproach the factory workers in Genoa, Terni and Piombino, who had erupted into spontaneous protest demonstrations.

But how did Professor Prodi succeed in obtaining so much? Prodi's recipe is called a "Protocol of Understanding" and was initialed in mid-July by IRI and the unions. It is an honest-to-goodness code of behavior, a "code of etiquette" between those who manage the business and those who work in it, a set of regulations to see that the conflict of interests between the choices of industrial strategy and those of union policy is smoothed down.

One example: if the IRI decides on an important strategic agreement, like the one that will link Italtel and Telettra, it will not let the unions learn about it from the newspapers, but rather has the obligation of calling a meeting with them to inform them immediately after the official decision of the board of directors. Another case: the union is given updates on every significant phase of Ford's negotiations with Alfa. And the thorny questions of personnel cuts and comprehensive company restructuring are always addressed preventively between IRI and the secretariats of the CGIL [Italian General Confederation of Labor], CISL [Italian Confederation of Labor Unions] and UIL [Italian Union of Labor] within the permanent committee established by the protocol.

In appearance, it is merely a formal ceremony. In substance, it is the application of a brief rule: take time. Take time, first of all, when inviting the unions to sit at the same table; obtain another pause of approximately six days with the "cooling-down" procedures that must precede the call for a strike; reduce as much as possible even the possibility of litigation regarding the procedures of the Protocol itself through the establishment of a guaranty committee: instead of rushing before a judge, all family quarrels will be settled

first by a jury composed of nothing less than former presidents of the Constitutional court.

The system seems to function so well that by now the IRI Protocol has become, for the union especially, the ideal model for industrial relations. So much that the sister organization, ENI, is also thinking of adopting a similar one. "Thanks to the collaboration with the ranking trade unions we have succeeded in managing dramatic situations, such as that of the public chemical companies," says Guido Fantoni, vice president of ASAP (the labor association of the ENI companies), "and to resolve many problems, among which those in the textile industry. The only thing left now is to formalize the procedure with the three labor confederations." In short, labor conflict seems to have become a thing of the past, and harsh disputes, strikes and pickets, stuff to be forgotten. Negotiations are no longer conducted in front of the factory gates, but rather around the glass table of the "conference rooms."

But has the labor union really entered the room of the three-piece suits, when previously it remained at the door, hat in hand? "No, we are certainly not dealing with 'codetermination,'" maintains Fausto Bertinotti, secretary of the CGIL confederation, "which means collaboration of the union with the employer for a joint administration of the enterprise. This, if anything, is the 'management of conflict': in exchange for information, the union makes a commitment to maintain peace in the factory." All the same, even if we are not really dealing with "Mitbestimmung," German-style codetermination, we are certainly dealing with something that is rather like it.

The evidence of the creation of a new climate between labor and the industrial organizations comes actually from the most unexpected source, Federmeccanica--the organization of companies from the mechanical sector--led by Felice Mortilaro, the most anti-labor of the employers' paladins. A survey conducted recently among the associated companies shows, in fact, that workplace relations now take place under the banner of the most complete collaboration. Nearly half of the companies polled regularly consult the factory council, and with optimum results: a reduction in absenteeism, a rise in productivity, greater individual yield. Another important indication of the normalization of the climate in the factories lies in the fact that the entrepreneurs, who until yesterday could not tolerate contractual demands at the company level, today accept them, and in 84 percent of cases, evaluate them positively.

"While we were arguing with Confindustria about the payment of decimals," explains Silvano Veronese, secretary of the UIL confederation, "or the representatives from the three labor confederations were not speaking to each other, the most advanced agreements in recent years were being signed at the factories." From this "spontaneous" unionism have arisen at least 3,500 contracts during the past year and a half, with the involvement of nearly two million workers. "It's been the season of a hundred flowers, a different reconquering of contractual space under the banner of 'coming to an agreement,'" says Bertinotti, "but it has nothing to do with the plan for the policy of demands that the union must have. And yet, even without an explicit and orderly strategy, the ensemble of the company contracts contains elements of a true revolution. A few examples? Overtime, night work, and Sunday work are a few

of the taboos that have crumbled in the new agreements between the employers and the workers. And furthermore, production awards, salary allowances tied to productivity, or to the quality of the work performed." "And this has not happened only in the small companies, but also in the large factories that influence political opinion," announces Paolo Lucchesi, assistant general secretary of the Lombard CGIL: "Falck, Breda, Marelli, OM from the Fiat group, Pirelli; and also at IBM, Montedison and Mondadori." Currently slated to receive a part of the salary that is linked to the productivity indexes (nearly one third of the raises obtained by the company, that is, a figure between 20,000 and 30,000 lire a head) are the workers at Pirelli, SNIA and also those of Carlo Erba.

At Marzotto, the company contract signed last spring provides that half of the monthly raise of 50,000 lire be tied to productivity. If a certain production index is reached, 20,000 lire will be received for each point above it. Otherwise, the same figure will be docked. One of the most advanced cases is FIAR, a company of the Ericsson group: the employees have accepted that next year's salary increases be decided on the basis of the total sales and the net income received in 1986.

In the area of the work schedules and of the workers' willingness to adapt to them, the company contracts have also taken giant steps forward. Let's take one of the bitterest disputes of these recent months, that at Standa, where Montedison decided to cut 3,000 jobs. "We found a solution acknowledging the company's right to ask for different work schedules according to the necessities of business, or even to close some shops in order to open elsewhere," says Domenico Trucchi, the CISL secretary, who followed the negotiations. "So, we sell until midnight in tourist places, and we're all open on Saturday 16 August." At FIAT, along with the agreement for the reentry of the last unemployed, Cesare Romiti obtained a third shift at the Rivalta establishment: in practice, a night shift during which--violating the last prohibition, that of night work by women--the female workers will also be employed.

But will this new climate help to defuse the tension of the negotiations for the renewal of the large, important contracts, which are scheduled for this fall? Among the most important platforms, together with the requests for raises of approximately 100,000-150,000 lire, the so-called right to know is very important. The unions would like, therefore, to see the private industrialists take specific steps towards the concessions of the famous Prodi Protocol. But this is a subject that Confindustria is not willing to discuss. "SASIB, Carlo de Benedetti's company near Bologna, has renounced the cooling-down procedures for strikes as well as refused us the right to participate in company decisions," says Francesco Garibaldo, general secretary of FIOM [Federation of Employees in Metallurgical Industries] in Emilia-Romagna.

And even though there may be some shadows in the relationships along the periphery, at the center the positions are decidedly more rigid: "What works for IRI, which has a system of large-scale companies, does not work for us, where 80 percent of our members have no more than 30 employees," argues Paolo Annibaldi, general manager of Confindustria. "And besides the models for labor relations cannot be modified with each contract: and those that exist now are already at the most advanced stage possible."

The industrial front line, therefore, has been drawn. And in order to guarantee respect from the orthodoxy, this year the negotiating table will be attended by an "observer" sent by the glass building at EUR. A sort of political commissioner whose signature will be indispensable to close the contracts. And the season of "1 hundred flowers" runs the danger of withering up into an icy fall.

### Six Million To Expire

These are all the categories of the private sector workers who will be affected by the forthcoming contractual renewals. From industry to agriculture to the service industry, there are almost 6 million of them, and many have been waiting for over a year.

	<u>SECTORS</u>	<u>NUMBER OF WORKERS CONCERNED</u>
<u>AGRICULTURE</u>	Agriculture	900,000
<u>INDUSTRY</u>	Monopolies	15,000
	Ceramics	55,000
	Paper	75,000
	Shoes	130,000
	Chemical	200,000
	Oil	20,000
	Mechanical	1,200,000
	Cement	40,000
	Construction	1,000,000
	Timber	320,000
	Glass	50,000
	Textiles	840,000
	Various manufacturing	15,000
	Fur and leather	50,000
	Toys	140,000
	Umbrellas	25,000
	Foodstuffs	340,000
	Mining	40,000
<u>SERVICES</u>	Transportation and telecommunications	400,000
	Trade	800,000
	Credit and insurance	300,000
	Various services	400,000

[Boxed insert, p 182]

And Benvenuto Is Waiting for a Law

Giorgio Benvenuto, general secretary of UIL, is the most enthusiastic supporter of a radical change in industrial relations towards a sort of "Italian-style codetermination." Is this an objective which will already be achieved with the forthcoming contracts?

[Answer] "I prefer to talk about "joint decisionmaking": that is, a system in which the union has the right to express an obligatory--although not binding--opinion about the company decisions. Even though Confindustria is prejudiced against it, many companies already practice a collaboration of this sort with the local union."

[Question] The "periphery" is usually more advanced than the center: this is true not only for Confindustria, but also for you...

[Answer] It's true: if the economy is going well, the employers open their purse-strings. The workers aren't dead set against mobility in the rigid defense of the workplace: the days are past when if your proposed working on Saturdays they would beat you up. Nowadays there is a large number of workers that espouse an advanced unionism, who have obtained more innovative company contracts. When ISTAT announces a 10-percent raise in salaries, it is demonstrating precisely the world of company salaries and production awards."

[Question] To what extent will these experiences remain at the time of the forthcoming national contracts?

[Answer] If the old protesting spirit of the union were to become strong again, it would be ruinous. With the salary requests in the platforms even a single day of striking could cost the workers much. But also the industrialists, because it would cause the spirit of collaboration that has begun to collapse.

[Question] According to you, the means to future industrial relations will be under the banner of the "IRI Protocol?"

[Answer] Yes, and I am of the opinion that the protocol between IRI and the union for the right to know should be made into a law. Today, participation in innovation, in the transformation of the workplaces strengthens the union more than an iron fist when dealing with the employers: when you know what the situation is you are in a better position to defend the worker."

13318/7358

CSO: 3528/5

ECONOMIC

ITALY

# ITALIIMPIANTI SETS TECHNOLOGICAL, DIVERSIFICATION OBJECTIVES

Milan LA METALLURGIA ITALIANA in English Nos 7-8 Jul-Aug 86 pp 568-569

[Article by N. Mignogna]

[Summary] The continuous and rapid evolution of industrial plants and the slack demand in the plant market, which fortunately has been mitigated in recent months by comforting signs of a pick up, require companies like Italmimpianti, which operate with a clear entrepreneurial philosophy, to be careful and direct resources toward two aspects of business management: technological innovation and diversification.

In this connection, Italmimpianti's strategy is carried out through a series of technical, commercial, financial and organizational measures which involve employees, instruments, methods, and structures.

The channels needed to successfully meet the various stages of the innovative process are:

- integration of knowledge and abilities available in the companies of the plant engineering and construction group, of which Italmimpianti is the sector leader, and in the production, manufacturing and research companies belonging to the IRI group;
- stipulation of agreements for technology-based alliances or licenses with firms holding advanced technologies which are recognized as fully valid and successful;
- acquisition of production trademarks;
- acquisition of shares in companies which already have a footing in special market fields;
- research and development activities aiming at obtaining technical innovations, improving technological property and work methods, and insuring the independence of the company in key sectors.

With regard to iron and steel technologies, these are now marked by a flurry of initiatives and projects aimed at achieving qualitative and economical objectives through the following measures:

- improvement of product characteristics;
- development of new products with higher and more qualifying properties;
- reduction in investment and production costs;
- improvement of working conditions.

A summary of Italmimpianti's current innovative programs and recent achievements is given below. In the iron and steel field:

- the establishment of continuous iron prereducing techniques at the blast furnace cast house for subsequent use of hot metal in oxygen converters for high-purity steel production;
- studies are in progress on alternative plant and process systems for the production of iron with a limited use of coke and sinter, and for the production of steel with reduction of hot metal percentage in the converter charge;
- research and experiments are now in progress aiming at improving the quality of continuously cast semifinished products in order to reduce surface conditioning work;
- construction in an Italian steelmaking plant of a prototype of the scrap preheating system;
- moving to the industrial phase of research on direct current supply to the electric arc furnace;
- definition of rolling and post-rolling methods of steels at controlled temperature;
- research work on a large pilot plant, installed at the Metallurgical Experimental Center in Rome, with the purpose of improving new processes for the treatment and coating of steel sheet, mainly intended for the automotive industry, with high corrosion resistance and high workability characteristics;
- studies are under way on compaction and rationalization of production cycles by means of a close connection between two or more phases of the iron and steel process, and with the aid of operation continuity, more advanced automation, adoption of processes requiring reduced capital, energy and labor;



- use of alternative fuels in the form of high density coal-water and coal-tar slurries, aiming at the reduction in the consumption of fuel oil and natural gas;

- adoption of process automation and control systems, with advanced and original features on steel plant units, particularly on reheating and heat treatment furnaces and on oxygen steel-making shops.

With regard to production diversification:

- stepping into the market of incinerating plants and, more generally, of the municipal and industrial solid waste treatment and disposal plants;

- engineering and construction is now in progress of a pilot plant for the incineration of municipal solid waste according to a process using the fluidized bed technology;

- in the carbochemical sector (setting-up of the project of a tunnel furnace for the baking of anodes to be used in the electrolytic process of aluminium production), and in the nonferrous metallurgy sector (studies for the passage from pilot plant to industrial prototype of an innovative system for the production of titanium through the electrolytic process);

- studies for original solutions in the engineering and construction field of territory and port plants.

The validity of Italimpianti's strategy in technological innovation and production diversification has been confirmed by recent successful results. The following are the most significant achievements involving the delivery of turnkey plants:

- centralized computer system for the production, maintenance and management control of the Misurata, Libya steel works, with related data processing center;

- electrogalvanizing line with advanced features, to be installed in the IAF Works at Turin for the production of galvanized steel sheets for use in the automotive industry;

- steel complex at Voljski, USSR, for the production of seamless tubes to be used in the research and exploitation of energy sources (oil and natural gas);

- desalination plants of the multiflash process type and, recently, of the reverse osmosis process type, in Middle Eastern countries;

-food processing plants at Vladicin Han, Yugoslavia, and at Avellino, Italy;

-municipal solid waste incinerating plant, with energy recovery, for the city of Bergamo, Italy;

-port works for the first stage of the new port of Genoa-Voltri, Italy;

-water and fume treatment and cleaning plants in Italy and West Germany.

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ECONOMIC

NETHERLANDS

# ECONOMIST VIEWS PROPOSED BUDGET FOR 1987

Rotterdam NRC HANDELSBLAD in Dutch 16 Sep 86 p 9

[Article by J. M. M. Ritzen, professor of public sector economics at the Erasmus University: "A Reasonably Balanced Budget"]

[Text] The 1987 budget has its roots in the 1986 policy agreement within the governing coalition. The main lines of that policy agreement's financial and economic policy can be summed up as follows:

The government deficit must be further reduced by reducing spending by 10.7 billion guilders net (compared to the Multi-year Estimates), and by increasing revenues by 3.8 billion (through additional tax measures), for a total of 14.5 billion guilders in deficit-reducing measures (not counting the effects of sales of additional natural gas and state-owned shares in companies as well as the effects of the fight against fraud).

These measures are, to be sure, more extensive than those presented in the 1986 Central Economic Plan and in the programs of the three main political parties but this difference can be ascribed mainly to the date at which these packages were drawn up. The three main political parties presented their programs before it became known that the great fall in petroleum prices would reduce 1987 natural gas profits by 12.6 billion guilders, while the 1986 Central Economic Plan took that only partly into account.

The 1987 budget outlines the schedule for the deficit-reducing measures provided for in the policy agreement. The main effort falls in 1987: 8.7 billion; after that only lesser sums remain for subsequent years: 2.7, 2.3, and 0.8 billion for 1988, 1989, and 1990 respectively (amounts exclusive of the fight against fraud and the sale of state-owned shares and additional gas).

The 1983 policy agreement's emphasis on cuts in the first year had to be interpreted mainly as a rather unattractive result of the political cycle (in which cabinets in their last year of government once again seek to entice voters). This time there is a sound economic reason for the same thing, namely the fact that in 1987 natural gas profits will fall so steeply.

### Small Step Further

The 1987 budget goes a small step further than the policy agreement in regard to deficit-reducing measures, because otherwise the deficit would go over 8 percent of net national income. The planned measures are supposed to reduce the deficit by 9.8 billion guilders, i.e. 1.1 billion more than provided for in the policy agreement. Given the fairly reasonable rate of economic growth, this package cannot be described as exorbitant.

It is not entirely clear whether this more moderate rate of deficit reduction (compared to the previous 4 years) is the result of a change in political preferences or of a change in what is politically feasible under altered circumstances. This is because it would be extremely difficult to make larger cuts. Because of the change from inflation to deflation and the low nominal pay increases that go with that, freezing public assistance payments and the pay of civil servants and trend-followers will not result in large gains. The cabinet probably feels that the losses it would suffer among its own supporters if it reduced these incomes nominally would be too large compared to the gains.

Too, the fact that it turns out to be harder and harder to make cuts in government spending probably played a role in the choice of how much to cut. Among the things that suggest this are the very many indications that the "reconsideration procedure" is coming to a standstill. The latest of these indications is the fact that the 1987 budget notes that, alas, the results of the reconsideration procedure in the 1986 budget are still not ready and will be sent to the Second Chamber later.

### Breath of Fresh Air

The 1987 budget is a breath of fresh air compared to those of the recent past. The line of argument is taut and the number of slogan-mongering comments has fallen considerably. More than in past years, the discussion is supported by arguments.

It is striking that in the budget, just as in the 1986 Central Economic Plan, there is no mention of the dangers which deflation presents to the collective sector and to the economy in general. The fear of inflation is obviously still so strong that we are prepared to tolerate an equally great evil (but one with other consequences).

Some criticized the size of the cuts in the 1983 and 1984 budgets, with good reason. Precisely during a recession, they said, an attempt to reduce the deficit by a considerable amount can so hobble the economy that the actual reduction in the deficit will be less than expected. In retrospect many elements of this argument turn out to have been correct: investments fell in that period, private consumption dropped, and real government revenues stagnated or fell. Without aid from the international economic situation, the Netherlands would have faced very hard times.

However, for the present period of reasonable growth, the principle of counter-cyclical policy requires that a high priority be given to reducing the deficit. There are the familiar arguments:

--The deficit can lead to "crowding out"; that is certainly true now that investments are attractive again.

--The deficit increases the national debt; interest payments increasingly crowd out other government expenditures; moreover, they shift to the future the cost of our present enjoyment of the things government provides.

Against this background, the 1987 budget made a balanced choice regarding deficit reduction: given these cuts, the "Macro-Economische Verkenning" (MEV) [Macroeconomic Survey] still estimates growth in real disposable income at around 3 percent in 1987.

#### Excise Tax

Too, the distribution of deficit-reducing measures between taxes and cuts is much more balanced than in the past. In the past the emphasis was on cuts, while deficit reduction is now more spread out over various measures. It is plausible to assume that the negative effect on the economy of a small number of nonmarginal changes (production and employment) is greater than that of a larger number of marginal changes (which produce the same sum). With small changes firms can still adjust on the basis of existing products and production technologies, while with larger changes there are high adjustment costs, because it is necessary to shift over to new technologies.

So too can households adjust to small changes within their existing working or spending patterns, whereas larger changes force them to go beyond those (with resulting delays in taking effect). In this connection the additional excise tax on petroleum is a wise choice, since it works to stabilize prices.

The present distribution of deficit-reducing measures (with more attention to taxes) also has fewer negative effects on income distribution.

The result of this distribution of deficit-reducing measures, however, is that the tax burden remains high. Looking at the microeconomic effects, one might well say that it is too high, bearing in mind that we are moving toward a situation of full employment in parts of the labor market. After all, it is precisely in such a situation that taxes affect the labor supply in such a way as to lead to less than maximum production. And given the profitability of fraud/evasion/avoidance, one can say that the tax burden is too high. In the end it will be desirable to make some adjustments to parts of the tax system.

In order to prevent new American tax legislation from causing American firms to transfer their profits from the Netherlands to the United States, it will be necessary to reduce the corporate tax rate for these firms in any case. In order to reduce the deficit after 1990 and to reduce the tax burden, we see that it will be necessary to have a cautious policy on government spending until far into the 1990's.

## Degradation

The ideological tone is considerably reduced in the 1987 budget compared to previous years. Only occasionally is there mention of "runaway government spending" or "burdens being pushed off on to the government." That is only reasonable because the cabinet lives in a glass house itself. Even the 1986 budget made it clear in table 5.2.1 how poor national spending discipline was.

The 1987 budget further calculates that in the period 1983-1986 there was a good 13.5 billion guilders in "policy intensifications" (6 billion) and "exogenous changes" (7.5 billion) that were not accounted for in advance in the budgets or were due to the growth in interest payments, unemployment spending, growth expressed in multi-year figures, or inflation. This was balanced by a total of 7 billion guilders of extra cuts in government spending, of which an estimated 5.5-6.0 billion was in the national budget (compared to total cuts in the national budget of 24.5 billion over this period).

One might in all seriousness ask whether each additional expenditure should not have to undergo the same examination as existing spending undergoes in the reconsideration procedure.

It is hard to escape the feeling that the policy intensifications in particular are the result of a "public choice" process in which the minister of finance and later the prime minister are confronted by 14 ministers, all representing their own interests, all wanting to do something nice for people, especially since they are after all so burdened by unpopular cuts. If this impression is correct, then there is no rationality in determining government spending. If this process continues, the government sector will continue to be under pressure to reduce the deficit longer than it needs to be. And at the same time the budget will not be what it was always planned to be: a framework in which to consider and judge proposed financial and economic policy.

The coalition's policy agreement talks tough with the intention of counteracting this degradation of the budgetary process. So too does the 1987 budget, which also claims to want to try to elucidate the multi-year figures horizontally and vertically. Horizontally and vertically means explaining the multi-year figures [sic]. One can note the background of these figures in demography, for instance, expected economic growth, or policy assumptions. Vertical explanation means giving the reasons why the actual figures vary from the multi-year figures. These causes then can always be interpreted in terms of the background of the multi-year figures.

This kind of elucidation is an improvement. It will make it easier to monitor results afterwards and may well have a preventive effect in advance. Despite this, one may suppose that without structural changes in the decision-making process within the cabinet, budgetary discipline will be extremely weak for the coming years. Structural change in decision-making might consist of an extra level (an inner cabinet, for instance) to strengthen the minister of finance's position on the question of maintaining budgetary discipline.

## De-Levelling

Since the Second World War there has been a considerable reduction in the differences among incomes. A small part of this development was due to a reduction in the differences among gross salaries. For the most part income distribution became less unequal because of the progressivity of the income tax and especially because of public assistance payments.

Around 1983 this development came to an abrupt end. Although we do not yet have available the statistical data necessary to form a complete picture of what is happening to income distribution, it is clear that there has been a de-levelling, mainly through the reduction in public assistance payments in real terms (cf. the "Sociaal en Cultureel Rapport 1986"). For 1986 the "Macro-Economische Verkenning" foresees an increase in real disposable income of 2.5 percent for the modal worker, while the poorest will lag behind with 1.0-1.5 percent (not counting the purchasing power supplement for the very poorest). In 1987, too, improvements in purchasing power will vary (up 2.5 percent for the modal worker, compared to 1.5-2.0 percent for the poorest).

Another indication of increased inequality in incomes is the comment in the "Macro-Economische Verkenning" that the biggest increase in private consumption will be in spending with a relatively high income-elasticity (particularly durable consumer goods and tourism).

## Differences

Given the present level of public assistance payments, this further income de-levelling cannot be due, or can be only slightly due, to people's (un)willingness to work. For most categories of public assistance recipients, the difference between public assistance and pay from work is too great for that. Furthermore, for a number of categories (particularly the General Old Age Act, the largest sector of the social security system in guilder terms) one would hardly expect the willingness to work to have any effect. At the same time it is clear that the willingness to work is affected not by general income-reducing measures, but by specific structural measures.

Not only has income inequality increased, but inequality in the distribution of wealth has increased in recent years too (this is based on the data from the wealth tax), with a consequent long-term increase in the possibility of deriving income from capital.

For a government that strives in its socio-economic policy to help attain an acceptable distribution of income, it would be desirable to avoid a de-levelling like the one that is now continuing.

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ECONOMIC

SPAIN

#### DIFFICULTIES FORESEEN IN ELECTRONIC EQUIPMENT SECTOR

Madrid MERCADO in Spanish 10 Oct 86 pp 43-44

[Text] If at first you don't succeed... The reconversion of the electronic equipment sector, which has been pushed and prodded along, now has a clear content. The ultimatum has been issued, and the resolution will be a decisive one. "The situation won't go on like this anymore!" If the administration refuses, CONELEC will be the first company to stop payments before the end of this year. On 30 September the majority group in this sector, composed of CENEMESA, CONELEC, and CADEMESA, submitted a new plan to the director general of the steel and metalworking industries, Jose Sanchez Junco. This plan, prepared by SOFEMASA, attempts to improve upon the latest plan which had been submitted and rejected, the McKinsey plan. Now it is time for the head of the ministry of industry, Luis Carlos Croissier, to make the decision.

The negotiations are ready now. The 1987-1990 4-year plan prepared by SOFEMASA contains clear economic, labor, and industrial measures. The economic measures call for new investments, a freeze on the debts of the companies in this sector to improve their financial health, and the creation of a Job Promotion Fund. The investments required amount to 4.9 billion pesetas, basically for the modernization of production equipment. The plan calls for freezing the 15-billion peseta debt contracted with Social Security and Finance, with payments on this debt to begin in 1990. Establishing the Job Promotion Fund would require 15.2 billion pesetas in aid from the government.

#### First Response

The 2,230 surplus workers from these three enterprises who might be laid off would be covered by this fund. The plan's industrial measures call for concentration in production units, the closing and creation of new centers in each of the subsectors: generation, transformation, traction, and rigging equipment. The subsector of motors would remain outside this strategic framework, as "its complexity makes it hard to encompass within this structure," said a CENEMESA spokesman.



The study was done on behalf of the major companies in this sector—CENEMESA, CONELEC, and CADEMESA—and it is "a response to the administration's statement that it wants to consider reconversion." On 12 March of this year the government called for proposals from "a group of companies which would present some clear industrial objectives." This step was taken last July when CENEMESA, formerly Westinghouse Espana, was created with 30 percent of the capital of CONELEC, formerly General Electric Espanola. No additional shares were needed to exercise management control. Moreover, CENEMESA holds 100 percent of CADEMESA, the former Spanish subsidiary of Brown Boveri. Thus, the strongest group in the sector was created with minimal competition. It now dominates the generation subsector; in traction it competes with Maquinista Terrestre y Maritima of INI [National Institute of Industry]; in transformers, it shares the market with some medium and small-sized firms, and in rigging equipment, it competes with the moribund Isodel.

#### No to Interest Payments

The expected 2,230-job surplus calls for a reduction by almost half of the total workforce--5,000 workers--of this business group. The alternative proposal presented is the creation of a Job Promotion Fund. This fund would disappear at the end of the 4 years covered by this plan, upon coverage of any losses which occur and through new hiring programs. Experts in this sector feel that "the demand for electrical equipment will revive within 3 years and other production lines may then be opened up." But it will be the administration which has to take over this surplus pool of workers. This will mean paying 3.8 billion pesetas a year, for a total aid package of 15.2 billion pesetas.

Furthermore, the plan proposes to freeze these companies' current debts, calculated at 15 billion pesetas, 12 billion of which are exclusively CONELEC's debts. Payment on this debt would then begin starting in 1990: the 7.8 billion owed to Social Security; 5 billion to Finance; and 2.2 billion to the Industrial Credit Bank. As a counterpart for this nonpayment of interest on the debt, the three companies would pledge to make themselves responsible for their obligations to Social Security and to the treasury, starting from the first year, if the plan is put into effect.

#### Industrial Measures

The investments scheduled for the business group are listed at 4.9 billion pesetas for the 4-year period and are designed to improve quality, to introduce digitally-controlled machines and tools, and to modernize production equipment and computer-aided-design systems. Starting in 1988, the year after the plan goes into effect, CENEMESA, CONELEC, and CADEMESA should be generating a surplus balance of 2 billion pesetas, which will be used "to pay part of the debt." The group's sales during the next 3 years are expected to range between 22 and 24 billion pesetas.

The industrial measures advocated are specific to each subsector. In the generation subsector, production would be concentrated at CADEMESA's Sabadell centers and at CONELEC's Galindo center. This would imply closing the CENEMESA facility in Erandio. In transformation, CONELEC and CENEMESA would abandon their production of small transformers--less than 10 megawatts. To meet the demand for equipment under 10 mva, the plan calls for establishing two groups: one in the Basque territory, formed by INCOESA, OASA, and ALKARGO, and another in Zaragoza, using the firm DIESTRE.

#### A Solution for ISODEL?

For the traction subsector, a combination of the CENEMESA and CONELEC facilities has been proposed, leaving some plants in the Basque territory--presumably in Galindo--which would handle control equipment, and another facility in Reinosa, where the entire production of traction motors would be concentrated. In the rigging equipment subsector, CENEMESA's Cordoba plant would handle high voltage equipment, and medium voltage equipment "would be reserved, in principle, for ISODEL, because we think ISODEL should survive," said one of the plan's instigators.

#### Some Uncertainty

But Banesto is in control at ISODEL. Directly or indirectly, it is the majority stockholder. This company's deficit is 13 billion pesetas, and Lopez de Letona, according to UGT [General Union of Workers], sources, "has no intention whatsoever of saving the company; he would rather let it die a natural death." Now there is a proposal that both Banesto and the UGT will have to consider. The UGT has already prepared its own industrial plan, and it has stated: "We will accept no action which is not our own, nor one which would mean the company's natural death."

If neither this plan nor another alternative is put into effect, "the government knows that these companies may gradually disappear. To start with, 2,400 CONELEC workers could be taken off the payroll before the end of the year... but, maybe, it would like the sector to disappear," said some sources close to CENEMESA. Croissier's answer "may range from 'that is fantastic' to 'it's unfinanceable'." The same sources expressed some feelings of pessimism: "The problem will only be solved halfway, because there isn't any money, and over 5,000 workers' jobs are at stake." The last word will be up to Croissier.

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MILITARY

EUROPEAN AFFAIRS

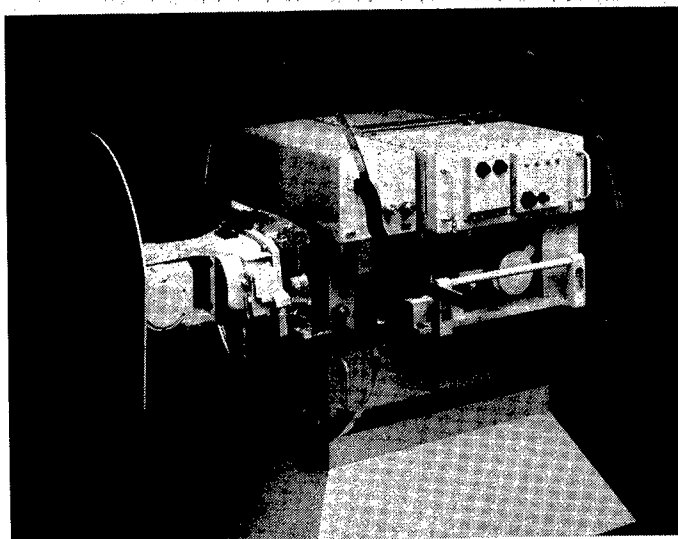
#### RADAR MODEL PROPOSED FOR EFA

Rome INTERARMA in Italian 10 Sep 86 p 460

[Unattributed report: "European Radar for EFA"]

[Text] The photograph shows the engineering model of ECR90 (European Collaborative Radar 90) offered by Ferranti (Great Britain), FIAR (Italy), and INISEL (Spain) for use in the future European fighter aircraft.

The phase of definition is already well advanced; meanwhile, the German member of the industrial consortium remains to be named (AEG--INTERARMA recalls--chose to enter the competing consortium, together with the American Hughes). Each company--and respective nation--will participate in the joint development project and acquire the capacity to produce the complete system at its own expense and provide for maintenance of the system, with full access to all the pertinent technologies both for export purposes and for applications to future programs. The contributions of the current partners in the area of technology are based on important expertise: Ferranti is refining its "Blue Vixen" radar, modernizing the "Sea Harrier" with pulse-Doppler radar derived from the first truly multimodal "Blue Falcon"; FIAR--the leading company in Italy for avionic radars--has developed the pulse-Doppler technology for its own "Grifo," in addition to having developed "Altair"; and INISEL has produced the experimental automatic systems for the radar of the Spanish EF-18 "Hornet."



10992

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MILITARY

ITALY

PROPOSAL TO ABOLISH MANDATORY MILITARY SERVICE OPPOSED

Rome LA REPUBBLICA in Italian 28 Aug 86 p 4

[Article by Vittorio Mimmi: "Give the Professionals a Chance"]

[Text] Welcomed only by the neo-fascist MSI "This is an argument we have single-handedly put forward for years,") Socialist spokesman Balzamo's motion to abolish the draft and start building a volunteer army seems destined to go nowhere. The fire-fight over "nonnismo" (refusal to register for military service), over draft exemption, and over the use of draftees has, even so, won support from all political parties for the argument that changes must be made somewhere in the structure and operations of the military service.

Among those who find the argument persuasive is perhaps the most knowledgeable political expert on military matters, Giulio Andreotti, who served six times as defense minister. "Spadolini was absolutely right," wrote the foreign minister in his "Notebooks" column in EUROPEO, "when he brushed aside speculations, but at the same time admitted that a good many improvements can and must be made. Not, he made it clear, just to break with tradition, but simply to recognize the fact that times are changing." What sort of reforms does Andreotti have in mind? "Restructuring the barracks and procedures, so as to give young men the kind of training and experience that will serve them well in civilian life" and "a gradual shift toward building a military force made up of long-term enlistees."

The biggest problem, argues Andreotti, consists "in making sure that the conscription period helps the draftee to learn or advance in a trade, to study languages, to participate reasonably in sports and to learn appropriate attitudes toward sports, and so on." The fact is that today "there are a lot of idle hours in all but a few exceptional cases," and "the soldier sometimes gets the feeling that he is wasting a precious year while his peers, who have wangled exemptions on one pretext or another, are already on the way to lifetime careers in the professions. Endemic boredom and pervasive doubts as to the fairness of compensation in service to one's country are two sore points on which challenges, protests, special pleading, and favoritism thrive."

The Christian Democrat minister recalled what happened to him more than 40 years ago when, rejected for officers' candidate school because of a weak chest, he was assigned as a private to the college of forensic medicine, and put to work there on the legal aspects of service-connected disabilities.

"I was delighted and grateful: the only thing I found wrong with it was having to wear a uniform and being required to perform a whole string of pointless tasks at the barracks (from which obligations Lt Gen Dr Alfredo Bucciante was exempt)."

Yet another cabinet member, Interior Minister Oscar Luigi Scalfaro, cited his own first-hand experience in the infantry—to contest Balzamo's proposal: "What has always been called the 'lousy, stinking Army' has done a lot for me, at both the educational and the spiritual levels."

Scalfaro also holds that it is wrong to grant requests that draftees be permitted to serve their time in the military close to home, "still tied to mama's apron-strings." "It is one thing to criticize the notion that because a young fellow lives in Cuneo he ought to be sent to Siracusa for his stint in the military—he says—but quite another to be asked, as I have been asked, to intercede so that a young recruit be transferred from one barracks to another in the same city solely because the latter is closer to his family's house."

Another no to Balsamo came from recently appointed Justice Minister Rognoni. "I cannot go along with his proposal," said the DC spokesman, because the present situation, no matter how you look at it, is preferable to any other, and affords the maximum assurance of democratic treatment."

The list of those opposed lengthens daily. In the view of Senator Franza (PSDI), who chairs the Defense Commission at Palazzo Madama, "in this phase we dare not stray from the dictates of the constitution," (which calls for obligatory military service). Left-wing Independent Eliseo Milani styled the Socialist deputy's proposal "a dangerous passel of foolishness that would inevitably spawn a policy aimed at implementing an international police operation that has nothing whatsoever to do with national defense."

As Liberal spokesman Battistuzzi put it, "Doing that would add to the constitutional difficulties the threat inherent in a completely professional army."

Squaring off against each other, of course, are the youthful contingents of the PCI and MSI. The FGCI denounced Balzamo's outburst as "absurd and and grave," because "there is no need now for an army of Green Berets; what we need is a complete rethinking of the whole concept of military service. The Youth Front, though, finds it "an extremely encouraging sign that the

whole issue of a volunteer army on a professional footing has become a subject for debate."

While this was going on, yet another proposal came from DC Senator Saverio D'Amelio, who asked for "more vigorous action that cannot be confined to the proposals, laudable though they may be, for modernizing the barracks." "What I think, though," said D'Amelio, "is that, without prejudice to open debate, with no holds barred, we must at least start thinking now about cutting back on our draft contingents, of regionalizing the military services, about recruiting young men for civilian service and in civil protection, once they have completed the short period (2 to 3 months at most) of military training and competence in the use of weapons."

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CS0: 3528/215

MILITARY

ITALY

DEFENSE FIRMS REPRESENTED AT FARNBOROUGH AIR SHOW

Rome INTERARMA in Italian 10 Sep 86 pp 464-467

[Unattributed report: "Strong Presence of the Italian Defense Component Companies"; first paragraph is English-language summary by INTERARMA]

[Summary] As far as the sector of defense products is concerned, numerous Italian firms present at Farnborough proved their excellent capabilities and the extremely high level of technology which has been reached in this country. The credibility of these firms (the majority of which are modest in size, are almost all private concerns, and are self-financing) has become a concrete fact. In this edition of INTERARMA a panorama of some of their most interesting products and programs is outlined to INTERARMA by representatives of Italian firms present at the show, namely, representatives of Contraves Italiana, Elmer (eng Guido Ricciardi), FAREM (eng Carlo Manca), Industrie FACE Standard (eng Enzo Bruno), Litton Italia (eng Angelo Meneghetti), Magnaghi Oleodinamica (eng Claudio Domeniconi), Magnaghi Napoli (eng Luigi Marinucci), Magneti Marelli (eng Rosario Bifulco), Marconi Italiana (eng Domenico Vaccari), Meteor (eng Fulvio Scalera), Microtecnica (eng Umberto Penco), Secondo Mona (eng Sergio Boni), and SMA (eng Sergio Bertini).

[Text] Farnborough (INTERARMA correspondent)--In the defense sector, the Italian aerospace companies have demonstrated--at this 27th Farnborough Air Show--a special and highly-appreciated vitality. As has been the case in the airframe, automotive, and missile sectors--and also in the equipment and electronics sectors--the Italian companies have not failed to make their mark, by offering a high-quality range of products, and have succeeded in attracting the attention of foreign companies interested in interacting with the Italians. Some of them even claim to have had contacts with (inquiries from) the United States. This is no small achievement, if one looks back at a past that is actually not very distant. The credibility of these companies (almost all of modest size, almost all privately owned, almost all self-financed and dominated by a sincere desire to free themselves from the remnants of technological subordination to the United States) has now become an accomplished fact both for those who work day by day in these companies in Italy and also for their foreign interlocutors, but perhaps not so much so (although that is not very surprising) for those who in our country must set in motion those mechanisms of incentive and development that are designed to encourage--among others--this sector of domestic industry.

INTERARMA herewith presents a panorama of the most interesting defense-industry exhibits in the "Italian pavilion" at the London air show, as set forth in statements made by officials of a number of the companies represented.

[1.] Contraves Italiana: C.A. [Antiaircraft] Radar "Pagoda"

At the show, Contraves Italiana presented "Pagoda," a short-range antiair defense radar. "Pagoda" is a derivative version of the "Shorar" radar (short-range acquisition radar) family designed and produced by Contraves Italiana. Two Oerlikon mobile antiaircraft defense systems are adopting other versions of "Shorar": the ADATS missile system and the AA system with Escorter-35 guns. In the next issue of INTERARMA we shall give a detailed description of this Contraves innovation.

[2.] Elmer: Confidence in Satellite Navigation

"One of the significant commitments of ELMER, a company of the SI.EL. group, is to the development of satellite navigation, which is a field of great interest to all the Armed Forces." This statement--INTERARMA says--was made by Guido Ricciardi at Farnborough, where the Italian company was present with its latest achievements. "The GPS (Global Position System)," Ricciardi added, "will be adopted for all the mobile platforms of the Armed Forces--naval, ground, and air." In association with the U.S. Magnavox, ELMER has transferred to Italy a large part of the American "know-how" and is currently developing systems at its own expense and in collaboration with other European companies; for this purpose the EURNAV Consortium has been formed together with French, German, and British partners. ELMER is also working in the electronic warfare sector, where among other things it has produced a "scanner" capable of analyzing at great speed (80,000 channels in 1 second) the 1,000 MGh spectrum. "We have produced the fastest receivers currently on the market," Ricciardi said, "and we are producing complete electronic systems, active and passive, for the communications field. In collaboration with Elettronica, moreover, we are developing new systems for the Italian Ministry of Defense."

[3.] FAREM: Multifunction Display

"For EFA, 'Tonal,' and NH-90, we are offering the most advanced products of electronic technology, as for example multifunction displays." This statement was made to INTERARMA by the FAREM general manager, Eng Carlo Manca. "For NH-90," he added, "we have submitted informal bids; for EFA and 'Tonal' we are in contact with the companies of the various participating countries. Our instruments are meanwhile continuing to be applied to the 'Tornado,' AMX, S.211, SF.600, and A.109. Our sensory instruments (such as the triple pressure indicator installed on ATR.42) can also have applications in nonaeronautical fields: as for example, armored vehicles and ships."

[4.] Industrie FACE Standard: DME-P To Be Evaluated by AMI

"The first DME-P (precision DME--editor's note) produced by FACE Standard will be evaluated by AMI early next year together with the already-installed MLS (Microwave Landing System)." This statement was made to INTERARMA by Eng Enzo



Bruno, head of the defense and avionics division of FACE Standard. The DME-P is the latest product of this company to be offered on the Italian market, and continues the course of development of avionic products for the complex of air navigation aids that FACE Standard is producing in the military and civilian fields. "We have a new, completely microprocessorized TACAN," Engineer Bruno added, "that has already won several contracts in NATO countries (Portugal and Norway) and will be up for evaluation in West Germany in September." FACE Standard, says Engineer Bruno, "also has--together with Aeritalia--a research and development contract with AMI for the production of a fiber-optic 'bus' for G.222. It is an experimental project; the tests on board the aircraft will begin by late 1987, and will also serve to verify the adaptability of the system to EFA--the project for which we have already submitted our bid. In collaboration with Selenia, on the other hand, we have a research contract for a multibus to be installed on naval units--a multibus that will be able to process data, transmit voice, and even transmit images; this study can also have an application for EFA."

#### [5.] Litton Italia: Toward Automation of Artillery

"Functioning through the instrumentality of Litton Italia--which forms part of a consortium that includes Galilei, Marconi, and SEPA--we shall take part, in the near future, in an important competition for bids conducted by the Italian Army for the purpose of acquiring a system that will automate our artillery." This statement was made to INTERARMA, at the 1986 Farnborough Air Show, by Eng Angelo Meneghetti, marketing director of Litton Italia. Guidance systems and inertial navigation equipment are Litton Italia's field; the company began its activities in our country 20 years ago by constructing such equipment--under a U.S. license--for the F-104's built in Italy. "It was then that we realized the necessity for developing equipment of our own design," Meneghetti declared. That was the beginning of the "LISA family," together with reference and position systems that can have applications on aircraft, on ships, and in torpedoes. In the aeronautical field, LISA is doing its share in AMX, S.211, A.129, EH.101, and "Pilatus" PC.7 and PC.9. "The LISA 2,000, mounted on a PC.9," Meneghetti said, "is now being marketed in Australia, where Pilatus has obtained major orders; for each PC.9 we shall install a LISA system, possibly pursuant to agreements for on-site coproduction, such as indicated in a letter of intent that we have received from Australia."

#### [6.] Magnaghi Oleodinamica: Redundancy in the Control Systems

"We have everything in readiness to participate in the EFA program, in that we have already worked together in a more than satisfactory manner on the production of EAP." This statement was made by Claudio Domeniconi, head of the technical department of Magnaghi Oleodinamica, who gave INTERARMA a brief explanation of the company's activities. "In the servocontrols sector," Domeniconi continued, "the trend is toward 'fly by wire' systems, possibly integrated with emergency systems, including manual systems. For military aircraft the problem is survivability, given their ballistic vulnerability; the solutions that we in our company are also studying are based on the redundancy of the systems and on the transition to the 'fly by light' system--a system that is immune to interference from any possible electronic measures." Magnaghi Oleodinamica is at

this moment busy--as far as military products are concerned--with the new "dumpers" for the rotor of the Agusta A.129, equipment for the EH.101, and new devices for the AMX, and is ready to evaluate the technical aspects of the EFA program as soon as the definitive specifications are disclosed.

[7.] Magnaghi Napoli

Eng Luigi Marinucci has told INTERARMA that this company--which specializes in the production of parts for aircraft undercarriages--is also awaiting the specifications for the EFA program, in which it plans to participate. Meanwhile, it is continuing its studies of new composite materials, and in this sector has initiated a large-scale program of research and development.

[8.] Magneti Marelli: Systems for the New Italian Tank

"The programs of Magneti Marelli include--for the military sector--development of the electrical system and braking system for the second-generation Italian tank. This statement was made to INTERARMA by Eng Rosario Bifulco, director of the company's Avionics Division. The system for the tank was developed in collaboration with the French Messier company, while another system--the fuel system--was developed in collaboration with the Italian company Seconda Mona. For the new armored car, Magneti Marelli is in the process of developing the electrical system and--also in collaboration with Seconda Mona--the fuel distribution system. The company is present in the A.129 "Mangusta" (direct- and alternating-current electrical system); EH.101 (a complete electrical system developed in association with Lucas; and AMX.

[9.] Marconi Italiana: Multiuse Computers in CATRIN

"Our latest products relate to multiuse computers for the CATRIN system currently being developed for the Italian Army--a system in which we also have a presence in the form of a radio-link communications network." This statement was made to INTERARMA at Farnborough 1986 by Eng Domenico Vaccari, the technical and marketing director of Marconi Italiana. Formed for the purpose of developing civilian electronic systems, Marconi Italiana has extended its expertise into the military sphere as well, and is currently carrying out an important program for modernization of the electronic system of all the ALE helicopters, with particular attention to autonomous navigation, radio-assisted navigation, and communications. In fixed-wing aircraft, the Marconi devices are to be found on the G.222 and MB.339. For the future, the company is developing programs that are part of the GPS (Ground Position System) and hopes to be among the suppliers of EFA and NH-90.

[10.] Meteor: To Fight From the Ground Is the Objective

"The ultimate objective of the research on the RPV--and therefore our objective--is to have combatants on land or that maneuver self-sufficient devices in flight." This statement was made to INTERARMA by Fulvio Scalera, the P.R. director of Meteor, in explaining the company's presence at Farnborough 1986. "To this end, we are concentrating on marketing the mini-RPV 'Mirach' 20--an experimental set of which we shall be delivering to the Italian Army--and

are continuing to improve the 'Mirach' 100 mobile target, increasing its motor power and autonomy. In collaboration with Aeritalia--a 50 percent partner in our company--we are developing a stabilizing platform for mini-RPV's and are collaborating with Pacific Aerosystem Inc (USA) on the avionics for these vehicles."

[11.] MICROTECNICA: Single Computer for EFA

"The same high degree of integration of aircraft systems will be achieved for EFA that has been achieved in the United States (which has preceded us in this field by several years) for aircraft of the F-18 or F-20 type." This statement was made to INTERARMA by Eng Umberto Penco, marketing director of Microtecnica, who added: "In contradistinction to AMX, which has a variety of computers to operate the various functions such as flight controls, air intakes, etc, consideration is being given--in the case of EFA--to a single large central computer that will incorporate all these functions." In this context, companies such as Microtecnica have the task of achieving "the delivery--ready for use--of systems that are completely integrated and perfectly capable of interfacing with the aircraft."

Penco recalled that the systems-oriented vocation of his company originated more than 15 years ago in connection with "Tornado," for which Microtecnica supplied the entire secondary flight control system. "Since that time," Penco explained, "electronics has developed to the point of bringing about the transition to digital intelligence, which provides for the integration of systems that are much more advanced than those in the past and now has applications in the area of domestic products as well."

[12.] Secondo Mona: We Shall Equip EH.101

"In collaboration with the American Plessey, Secondo Mona has already won the contract to supply equipment for the EH.101, the Anglo-Italian helicopter." This statement was made to INTERARMA by Sergio Bogni, who explained that the field of activity of his company is directed primarily toward the production of fuel systems for aircraft and--more specifically--fuel pumps. "In this connection," he said, "we are working on some new types of equipment for the A.129 'Mangusta'; these are systems the contracts for which have not yet been awarded and that we are developing at our own expense. We accordingly have high hopes for EFA, given the fact that our decanting pumps and valve pumps are already present in EAP."

[13.] SMA: Anti-Helicopter Radar for the New Tank

"Together with OTO Melara, we are developing the radar system for the new Italian tank," Eng Sergio Bertini, managing director of SMA, told INTERARMA. "It will be a system designed for the detection of low-flying helicopters and guidance radar for the reaction of the tank." The field of medium-to-short range detection radar and guidance radar is the classic field of SMA, which has produced ground, naval, and air equipment in addition to missile equipment (the SMA is present in the 'Otomat' system). "We may say," Bertini added, "that we are working in the entire sector of microwave active and passive sensors: these projects range from the EH.101 naval helicopter--for which we

are developing a new system in collaboration (a 50 percent participation) with FIAR--to our investments in research for the frigates of the 1990's and investments that we are currently making in the development of a new radar (the APS 707) for use on Italian helicopters sold abroad."

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MILITARY

PORTUGAL

'TRIDENT 86' MANEUVERS IN AZORES DESCRIBED

Maneuvers Detailed

Lisbon O JORNAL in Portuguese 19 Sep 86 pp 12-14

[Article by Cesario Borga]

[Excerpts] For a week, the island of Porto Santo was threatened by enemy forces dispatched for North Africa for the purpose of an African takeover of the Madeira archipelago. The invaders, who managed to land on the island, frequently had recourse to terrorist methods, according to government sources.

Some observers reported with confidence that the threat to Porto Santo originated in Libya and had been organized by individuals linked with Col al'Qadhdhafi.

Fortunately, all of this was make-believe, merely a part of the "Trident 86" war games.

It was 8:30 am in Porto Santo on Wednesday, the 18th of the month. A state of emergency had been declared on the island 24 hours earlier. The vast beach of fine sand along the coast was practically deserted. A commando platoon in camouflage gear, faces blackened, with G-3s and swords slung from their shoulders, scanned the 9 kilometers of beach carefully. The "state of emergency" was a simulated one, part of the war games given the name "Trident 86," which were staged for the purpose of testing the island's defense against an enemy invading from North Africa.

Scattered over the island were 1,200 men, antiaircraft guns, some cannons and at least one portable missile launcher. It was known that the "enemy" had succeeded in landing on the island during the night, and this caused some nervousness, not so much because of fear but because the enemy here was a naval force, and the soldiers commented to each other that "with these guys one never knows."

The enemy (orange forces), we learned later, consisted of a unit of 11 riflemen (one officer and 10 privates). They penetrated the defenses of the island, and in order to leave no evidence in enemy hands, they adopted a suitable style for evading and overwhelming the "native troops."

There was moonlight on the night of the third. The group of infantrymen realized that they would never reach the island alive. The rubber navy rafts which carried them would be easily seen.

#### The "Enemy" Lands

They then decided to divide up, with a part of the group approaching in the rubber rafts, while the others walked into the town calmly in sports clothes, as if they were on their way to have a drink at the Big Boy, the most popular drinking spot in Porto Santo because it is the only one there. Just minutes later they abandoned their civilian clothing and adopted the determined aspect of "enemies" from somewhere in North Africa. The other half of the group arrived in two rafts, dressed in bathing suits. As they neared the shore, they jumped into the water and swam the rest of the way, allowing the defenders of the island the honor of capturing the vessels. The weapons and the uniforms they used subsequently had been previously hidden on the island.

I was convinced that after a few blanks were fired by the troops defending the coast, the "enemy" would consider itself defeated. However, a short distance from the beach where the commando unit we accompanied for some time was located, in an area known as Portela, the "riflemen" decided to evade the simulated fire, took over the fuel deposits, climbed the slope, and when the commando unit confronted them, decided to settle old accounts. In order to avoid an unnecessary alarm and the sound of gunfire, they settled it all quietly. According to a witness to whom we talked, they neutralized the commando unit and disarmed the artillery garrison, dealing with their adversaries quite harshly, as befits true warriors. Flat on the ground, at the moment of attack, the defenders found swords at their throats and guns pointed at their heads.

But then everything was as before. On Wednesday night, all the positions were garrisoned, and they were reviewed by Gen Lemos Ferreira, chief of the General Staff of the Armed Forces, and Brig Gen Loureiro dos Santos, commander of the Madeira Military Zone. The "blue forces," the defenders, were gaining ground over the "orange forces." In the final analysis, both conducted themselves well, and as always, the exercise achieved its objectives.

#### An Enemy from North Africa

But in reality, who was the "enemy," or, put in another way, with what enemy in mind was this exercise planned? At a press conference held in the field for journalists, an army spokesman said that what was contemplated was an enemy coming from North Africa for the purpose of a "African takeover of the islands," and making frequent use of terrorist methods. As far as is known, it has to date been Col al'Qadhdhafi who has made statements which could be interpreted as expressing a desire to "Africanize" the islands, including the Canaries, and in Western circles, he is regarded as the main instigator of terrorism as a method of exerting pressure on his adversaries. The island of Porto Santo, then, tested its defense capability against a hypothetical Libyan threat being carried out in a first phase through the infiltration of small groups for the purpose of locating and destroying sensitive targets. With the equipment and the available personnel in place, and with coordination among

the various forces, would our troops be in a position to provide a response? Even a first response to an enemy which would presumably arrive in Porto Santo well armed, well trained and well informed?

This question was asked of Gen Lemos Ferreira by O JORNAL. In the first part of his answer, he minimized the idea of an enemy coming from North Africa, saying that the origin might be anywhere else, but he did not deny this possibility, as had moreover had been made clear shortly before in the meeting with newsmen. The military official responsible for armed forces operations did not hesitate, however, to state that taking the resources the armed forces has available, and not exclusively those established on Porto Santo for the "Trident 86" maneuvers, into account, it would be possible to respond to a threat from North Africa such as that simulated here.

#### Defense on Castelo Peak

Castelo Peak is one of the three hills on the island of Porto Santo. It is the second highest (407 meters) and the only tree-covered area on the island. A large part of the antiaircraft artillery was installed on this elevation. The trees provided almost perfect camouflage, the height allowed a view of almost all of the island, and from there, one can see the air approaches to the airport. Thus for about a week, Castelo Peak was a war zone dotted with machine guns, command and communications posts, and the scene of intensive military vehicle movement.

Many years have passed since the days when the war materiel installed on Castelo Peak for "Trident 86" might have been of great use in combating possible enemy aircraft. As far as we could see, there were 10 antiaircraft guns installed on the island—four 12/7s, each with four barrels, and six 40 millimeter single-barrel guns. In addition, there was a "blowpipe" portable missile launcher. The antiaircraft batteries might possibly do some damage to airplanes flying at a low altitude, or as they begin to dive to strafe targets or drop bombs, but it would not be possible to affect planes flying above 3,000 meters at supersonic speeds.

The 40-millimeter gun is actually a museum piece. It could perhaps fire three rounds per second, but not for long, for the barrel might overheat and thus soften. It is not a question, of course, of the men behind the weapons, who might, in the final analysis, as is believed today, be the most decisive element in a localized war with the opposing forces using the most modern technology. Thus to expect to function in wartime today with such equipment is like asking for a miracle. The least that could be said is that the equipment installed there was only a symbol, like the old cannon at the ancient fortress.

The antiaircraft equipment included a portable "blowpipe" missile launcher, but its efficiency could not be tested because plans did not call for firing it. This missile has a range of 3,000 meters and it has an aiming mechanism. Slight corrections to the trajectory can be made after firing. This requires well-trained marksmen which it is difficult to provide, since for financial reasons, this missile is not fired regularly. The "blowpipe" is only designed for targets located at very low altitudes, and the missiles self-destruct

after traveling 3,000 meters if they have missed the target. Neither the heat produced by the target nor the airplane fuselage attracts the missile, and the target aircraft will not be destroyed if the missile fails to come within 3 meters of it.

#### Resources Lacking

Lisbon O JORNAL in Portuguese 19 Sep 86 p 12

[Article by C.B.]

[Text] To an observer with the slightest interest in military matters, the somewhat artificial manner in which the military authorities justify these silent war games cannot go unnoticed. They are always presented as ways of testing the commando units. It might be noted that during the maneuvers held in Porto Santo, not one shot was fired. Obviously there are other ways of assessing the resolution of the problems presented, but the real reason there was no "actual firing" was lack of financing.

The island of Porto Santo has a key location in the so-called Portuguese strategic triangle formed by the island territories (Azores and Madeira) and the continent. Its position in the triangle allows it to serve as a base for any operation against the Azores, the African coast, the continental territory of Portugal or the Canary Islands. Porto Santo is 1,200 kilometers from Lajes, 900 kilometers from Lisbon, 660 kilometers from the Canary Islands, 500 kilometers from the African coast and a bare 50 kilometers from Madeira. A defense exercise on an island whose strategic importance is challenged by no one should in principle also serve as a deterrent for any potential enemy, particularly that imagined in planning the exercise. But this did not by any means happen on the island of Porto Santo.

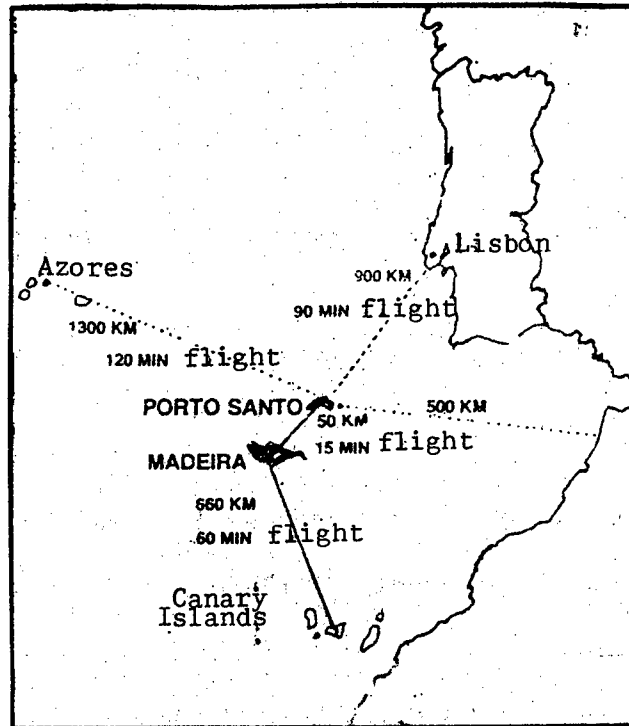
In a way it could be said that a military exercise carried out at a point of strategic importance such as the island of Porto Santo points out, both at home and abroad, Portugal's status as a "weak nation" which is not even in a position to impress its adversaries or its friends with a "bluff." The image wanted is that we would be capable of defending Porto Santo against the first thrusts of a serious attack.

It is not easy for the military to resolve the dilemma when resources are limited. Brig Gen Loureiro dos Santos, who is at present the commander of the Madeira Military Zone, said in his book "Incursions in the Realm of Strategy" that in a small country, "The military tool should not be economically ruinous (this would be like killing the patient with the cure)," or, in other words, the military in their operations must take the existing economic conditions into account because, according to the thesis of the commander in chief of the Madeira forces, "The simple fact that a military apparatus exists would make a possible invader think twice before attacking."

However, the situation is more difficult to understand if we realize that such rigorous austerity is not to be found in all sectors. After reading the report of the parliamentary commission on the choices made in purchasing materiel, aircraft in particular, it is hard to understand why the only



portable missile launcher on Porto Santo had to be carried from one place to another on the island during the maneuvers, for there were several positions assigned for the single launcher. The fact is that, lacking aid from outer space, it would be hard to find a missile launcher which can be everywhere at once.



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CSO:3542/11

MILITARY

SPAIN

# DEFENSE MINISTRY ANNOUNCES CHANGES IN MILITARY SERVICE

Madrid EL PAIS in Spanish 19 Oct 86 pp 16-17

[Text] Barcelona--In January 1987, youths who have not yet joined the ranks may aspire to occupy one of the approximately 13,000 slots that the Defense Ministry will create for the first graduating class of special volunteers in the three service branches. With a service period of from 18 months to 3 years, the future specialists will become the backbone of the troop ranks of a smaller, more specialized Army. The traditional "mili" is starting to change in many other respects: a reduction in the period for performing compulsory service; a change in recruitment methods; an expansion of assignments in the region of origin; simplification of deferments; and an increase in grounds for granting them. The Defense Ministry now intends to undertake an extensive program to reform the content of military service: what the youths who will be wearing the uniform during the 12 months learn, and how they learn it.

As of this very year, youths who have joined the Land and Air Armies know that they will be performing their service for a 12-month period. Starting with the replacement in January, this term will also apply to those who have been assigned to the Navy. This reduction, hoped for by generations of recruits and periodically announced in the barracks by "radio knapsack," since the first months of the transition, is, along with the gradual rise in the number of surplus quotas, one of the most obvious signs that something is changing in the "mili."

The 5,471 youths who "escaped" the "mili" in 1982 were a select group of fortunate ones in the eyes of their 233,212 comrades who marched off to the camps. This year, the number of "fortunate ones" which had gradually risen in the 1983, 1984, and 1985 conscriptions, has shot up to 71,113. In other words, over one out of every four youths has been declared surplus quota.

The gradually reduction in the size of the Land Army and the fact that incorporation into the ranks has been moved up a year, according to the new Military Service Law (of June 1984), which has required calling up youths aged 19 and 20 years jointly, in a transition period, are the two factors that have caused breaking the record for surpluses this year.

The 13,000 special volunteers due to start training in 1987 will amount to a total of 40,000 soldiers in 3 years ("if Mr Solchaga allows it," in the words of one of the minister's military advisers). In the future, this contingent

will assume the responsibility for handling the new weaponry and will become "the soul of the modern Army."

Personnel missiles, combat tanks, radar, and even trucks of large size are being requested by soldiers with special training, for the sake of efficiency in the handling and conservation of the equipment. In addition to being able to serve as specialists in the various branches and corps, the volunteers will be able to opt for membership in an elite unit, such as the Legion, the Paratrooper Brigade, or the Marines.

#### Minimum Wage

The Defense Ministry's bill wants those who join the volunteer service for a 3-year period to be able to earn at least the interprofessional minimum wage (40,141 pesetas per month). The existence of this new corps, which does not preclude the rendering of traditional volunteer service, reduced to 16 months, will make it possible to release each year another 40,000 youths from compulsory service; because the Defense Ministry's intention is not to add personnel, but rather to substitute replacement troops with qualified volunteers.

The reduction in the contingent of troops who will perform compulsory military service will, as the defense minister announced to the Congress on 17 September, make it possible "to eliminate (...) an increasing number of youths who, owing to their mental and physical qualities, had not been taken into consideration to any great extent up until now and whom we do not regard it as feasible to have taking military service (...)."

The Defense Ministry bill calls for the formalization of an agreement, over the long term, with the Health Ministry so that the medical examinations of the youths will not be made by the military, but rather by social security. The bill stipulates that the medical checkups before joining the ranks are to be made of all youths, and not only those who have alleged something; which, according to the same sources, is the only way of limiting the disturbing number of disqualifications that occur after incorporation into the ranks. According to unofficial statistics from the ministry, in 1 year, nearly 20 percent of the Navy personnel and 12 percent of the Army personnel, are released for incompetence that was not discovered before their incorporation into the ranks.

The Land Army Modernization Plan (META) has concurrently led to the closing of the doors, almost without any publicity, of the Recruit Instruction Centers (CIR), in which the future soldiers were given their first inspection. Next year, there will be only two CIR left in all of Spain, one to deal with the instruction of the personnel to be sent to Ceuta and Melilla, where "it is impossible to hold drills of any kind for lack of space," according to Defense Ministry sources, and another in Madrid, used for all units in the central services.

The brigades, converted into the Army's basic unit, are assuming responsibility for the instruction of the recruits in their facilities.

Next year, the regionalization of the service, in other words, the assignment of youths to units located in the same military region in which they reside, will amount to 60 percent of the young men. The Defense Ministry considers this percentage the highest ceiling possible to attain, given the territorial structure of the Army units. The criteria for streamlining will also make it possible, starting with the January replacement, for all the youths in the military regions with a personnel shortage not to have to leave them.

In this way, the youths from the Canaries and the Balearics, and from the districts of Ceuta and Melilla, are guaranteed that they will remain at home. For those who have to be moved, the trend will be to assign them to a border region and, within it, the military headquarters have instructions to assign the troops to units whose site is as close as possible to their residence.

### Conscientious Objection

On the controversial issue of conscientious objection, the regulatory law for which (of December 1984) is being appealed by the people's defender, the ministry confined itself to giving a reminder that this is a matter that depends directly on the Office of the President of the Government. The new military service law includes the objection as a cause for exclusion from military service, and turns it over to the National Council on Conscientious Objection, which has jurisdiction over each case and on which the ministry has a single representative.

The Defense Ministry considers the number of objectors (fewer than 1,000 per year) to be insignificant, and claims that its only concern is the "sudden" objectors, that is, those who claim it when they have already been incorporated into the ranks.

The ministry now considers it a priority matter for this legislature, in connection with military service, to make a series of changes in the instruction of the troops that will make it possible to improve their learning and to impart a greater sense of usefulness to the year invested in the ranks.

An adviser to the minister remarks: "There now remains a job to be done in the barracks, of an internal nature, which will not be reflected in a new law. How we focus on the instruction of the troops during the coming years will depend largely on the awareness acquired by Spanish society that national defense is everyone's responsibility."

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MILITARY

SPAIN

#### ARMAMENT, DUTIES OF NEW FRIGATE DESCRIBED

Madrid EL ALCAZAR in Spanish 11 Oct 86 p 10

[Text] Starting Sunday morning, the Spanish Navy will have the frigate "Santa Maria," a warship of the new generation capable of fighting with the most advanced electronic systems under nuclear and bacteriological warfare conditions. The frigate "Santa Maria" is the first in a series of four which, together with the aircraft carrier "Principe de Asturias," will constitute the force of the Navy's aeronaval group.

The frigate "Santa Maria" is associated with the American "Oliver Hazard Perry" design, series FFG-50, the construction of which began during the American fiscal year 1981.

The primary mission of the FFG frigates, the cost of which exceeds 30 billion pesetas, is to act as escorts for supply groups, amphibian forces, and convoys, and to operate offensively against submarines.

This warship incorporates as an innovation an antisubmarine and antisurface "go no further" device which "works" permanently with a Sea Hawk helicopter. Also noteworthy is the antiaircraft defense feature of this frigate.

In the antisubmarine battle version, the light airborne multiple mission system, "Lamps," is incorporated into the Sea Hawk helicopter (Spain has purchased six units for transporting it, valued at 30 billion pesetas) to operate in connection with a tactical towed sonar chain, "Tactas," device which tows the frigate.

Through the combined operation of the "Tactas" and the "Lamps," submarines located over 100 kilometers from the vessel can be detected and attacked.

The data picked up by the helicopters are sent automatically to all ships in the combat group, from which the order to pursue or attack the detected submarine can also be issued.

Its Objectives Include Control of the Strait of Gibraltar

Among the fundamental missions of the frigate "Santa Maria" will be the control of the Strait of Gibraltar, an area through which 52,000 ships and over 100 nuclear submarines of the United States, the USSR, the United Kingdom, and France currently pass.

If the threat comes from a rapid missile carrier vessel located 60 miles distant, the worst case, the "Lamps" engages in an antisurface pursuit, making it possible to provide information on the missiles launched, and will make it possible to guide, by means of the helicopter's electronic equipment, the combat group's "Harpoon" antimissile defense against the enemy ship.

The helicopter's recovery and secure system, "Rast," aboard the frigate, makes it possible to operate with the "Lamps" under the most severe weather conditions. The unit comprised of the FFG frigates and the "Tactas"- "Lamps" system is completely inseparable, because the ship has been designed precisely to be able to take on the Sea Hawk helicopter.

The frigate combined with "Tactas"- "Lamps III" is not a mere addition of equipment and weapons operating in isolated fashion, but rather constitutes a weapon consisting of various components.

With this system, the FFG's advanced position nevertheless allows for the extension of air scouting up to nearly 400 miles from the center of the combat group against attacking aircraft and missiles, combining the defense of its "Standard" and "Meroka" antimissile systems with the famous "Harrier" vertical takeoff aircraft located on the "Príncipe de Asturias" aircraft carrier and the Sea Hawk helicopters.

Thus established, the combat group will respond to the technology of the 1990's, and the Navy will be equipped to provide suitable protection for the survival of the national maritime trade.

Included among the weaponry to be carried by the frigate "Santa Maria" is the "Meroka" multitube antimissile system, developed in Spain: eight "Harpoon" anti-ship missiles and 32 "Standard" antiaircraft missiles, both of American origin; as well as two triple torpedo launcher assemblies and an "Oto Melara" automatic cannon.

The frigate is 135 meters long, with a beam of 13.7 meters, a draft of 7.5 meters, and a displacement of 3,600 tons.

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MILITARY

SPAIN

#### INISEL WINS CONTRACT FOR EF-18 TEST BED

Madrid EL ALCAZAR in Spanish 11 Oct 86 p 10

[Text] The Defense Ministry has awarded INISEL the contract for the development and manufacture of an AIRSIM (Aircraft Simulator) type test bed for the inertial flight unit of the EF-18 airplane. The inertial flight system is one of the most complex types of equipment in current aircraft technology, because it enables the airplane to fly without external cues.

The AIRSIM test bed is intended to fill the gap existing in the maintenance of the gyrostabilized platform, by being able to isolate a breakdown of any of the 13 subsystems comprising the inertial navigation system. These subsystems are of three types: the aforementioned gyrostabilized platform, a set of computer cards, and supply sources.

With the present contract, which amounts to 355 million pesetas, this company is consolidating its activity in the test bed field, the experience with which will be applicable to the future European combat plane, in which Spain is participating along with Italy, the Federal Republic of Germany, and Great Britain.

The awarding of this contract to a Spanish company by the Defense Ministry will intensify the activity of the national industry in the realm of advanced technologies and the development of new weapons systems.

#### The King Will Pilot an EF-18

Moreover, King Don Juan Carlos will pilot one of the EF-18 planes recently acquired from the United States by Spain, as part of the FACA (future aircraft for combat and attack) program, next Tuesday.

The Zaragoza Air Transport Command (MATRA) confirmed the king's visit to that city's air base, during which he will test one of the EF-18 fighter-bombers, considered to be the most sophisticated in the world.

On 10 July, the first EF-18A's landed in Zaragoza, and will continue to arrive during 1987, 1988, 1989, and 1990, until the completion of the 72 aircraft purchased by the Spanish Government.

One of the main features of this aircraft is the ability to perform attack, air-to-surface, or air-to-air missions, indiscriminately, with a mere change.

In the EF-18, with a capacity to carry 10,000 kilograms of bombs, the pilot controls the entire process of an attack or combat automatically; the radar follows 10 targets simultaneously; and the computer selects the closest threats, and advises the type of weapon to be used at all times to destroy them.

For the purchase of the EF-18A, the individual cost of which is about \$22 million, the manufacturing firm, McDonnell Douglas, promised to provide business to Spanish companies valued at \$1.543 billion in 1981 dollars.

Spain is the fourth country in the world to have this type of airplane, which is part of the air forces of the United States, Canada, and Australia.

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MILITARY

SPAIN

DEFENSE MINISTRY REPORTEDLY CONCERNED ABOUT DEATHS, DRUG USE

Madrid EL PAIS in Spanish 19 Oct 86 p 17

[Text] Barcelona--The accidents, suicides, and drug consumption in the barracks are three of the matters which most concern the Defense Ministry insofar as the prevention measures adopted are concerned.

According to the ministry's report, prepared after the first 4 years of the Socialist government, the accident prevention policy "has achieved a beneficial effect" in reducing them. The official figures for 1983 indicate that, based on 209 fatal accidents which occurred during the rendering of military service, 118 took place as a result of a traffic accident, 29 were caused by weapons and explosives, and 62 happened during instruction or based on other causes. According to the same official statistics, the percentages in comparison with other countries put the Spanish death rate (0.060 percent) at a level similar to that of France (0.057 percent), the United Kingdom (0.067 percent), and Italy (0.091 percent).

According to the same document, the number of fatalities from traffic accidents occurring in a civilian vehicle, when the soldier was on leave, accounts for half of the deaths during the period for rendering military service. In this regard, it is believed that the increased regionalization of the service, which will entail a reduction in the travel of soldiers on leave through the Spanish geographical area, will help to cause a decline in the figure.

The report does not embark upon a study of the other accidents, although it notes that a statistical plan has been established that will make it possible to ascertain the number and causes thereof, as well as the measures to be adopted for their prevention.

Handling of Weapons

The Defense Ministry expressed the view in its report that military service "cannot be considered a specific cause of suicides," although it admits that "it is possible that reasons for committing it could stem from it (military service), both on the basis of concurrent social factors and the mere fact of handling weapons." Specifically, according to official statistics, the number of soldiers dying from suicide in Spain between 1 January 1984 and 1 October 1985 amounted to 70, whereas the number of those injured totaled 180.

According to the ministry, the inducing factor "is some type of lack of social integration and despair over attaining prospects of achieving it." An adviser to the minister explained that many of the suicides had as a cause "emotional or family problems."

The search for the causes extends to the general context of the current society. "The slight increase, with chances for receding" that has occurred in the number of suicides within the Armed Forces, "is merely the reflection of a parallel process in a direction similar to that occurring in Spanish society as a whole, wherein there is evidence of a rise in the number of suicides, particularly among the youth," according to the Defense Ministry.

The ministry admits that "there is continued incorporation of young people with psychopathological conditions into the branches of service," and calls upon families with children who have problems of this type to provide the medical reports before their incorporation, taking advantage of the fact that the new list of exclusions places "greater emphasis on mental diseases."

With regard to drug addiction in the quarters, the minister's advisers agree in stating that the problem "is not as serious" as in the society as a whole, "except in the Legion." The National Antidrug Plan is also carrying out its activities in the Armed Forces, which are coordinated by the interministerial commission to control it through the Defense Ministry.

The ministry's report notes that, according to a poll taken in the Land Army during 1985, 27 percent of the youths incorporated into the ranks were occasional drug consumers, while 6 percent were regular consumers. The poll made it possible to discern "a strong increasing trend in the percentages of drug addicts." According to the official statistics, during 1984 and 1985 2,394 youths were excluded from military service because of drug addiction.

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ENERGY

PORTUGAL

# LOWER OIL PRICES YIELD SAVINGS FOR NATION

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Sep 86 p 24

[Text] In the first 7 months of this year, Portugal has seen savings of 71.5 million contos on its foreign purchases of oil and fuels, figures released by the National Statistics Institute indicate.

Portuguese imports of fuels, oils and ores in the period between January and July of this year came to a total of 141.9 million contos, equivalent to a reduction of 33.5 percent in the energy bill paid for the comparable period in 1985.

During the period under consideration, two other factors were also evident in the Portuguese trade balance. They were the 37.3 percent decline in the cost grain products and the 30.3 percent decline in the invoices for oleaginous crops.

These are three products--oil, grains and oleaginous crops--for which Portugal is heavily dependent on foreign sources. Variations in their prices contribute heavily to the changes in the Portuguese trade balance. Between January and July of this year, Portugal purchased grains worth 21.7 million contos and oleaginous products worth 20.2 million contos.

The savings on grain purchases came to about 13 million contos, to which was added a saving of 18.7 million contos on foreign purchases of oleaginous products, seeds and fruits.

Cotton was another product for which imports declined. In the first 7 months of this year, purchases of cotton products totaled 27.2 million contos, down 24.9 percent from the figure for the comparable period last year.

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ENVIRONMENTAL ISSUES

SPAIN

GOVERNMENT REBUTS CRITICISM BY ECOLOGY GROUPS

Madrid EL PAIS in Spanish 16 Oct 86 p 30

[Text] Madrid--The new directors of the leading agencies engaged in managing the environmental policy, the General Directorate of Environment (DGMA) and the National Institute for Conservation of Nature (ICONA), consider the criticism made by the ecology groups of these agencies to be exaggerated and biased. In their opinion, the changes are due to the opening of a new era, prompted both by Spain's entry into the European Community (EEC), which necessitates abiding by the guidelines set by the Community in the area of environment, and by the transfer of authority to the different autonomous communities.

The previous director of ICONA, Angel Barbero, claims that the reasons for his dismissal were not very specific, although he admits that the constant criticism from the news media and ecology groups of the institute carried weight in his departure from the position.

Barbero thinks that the criticism "has been very out of focus and biased, because it has been concentrated on the issue of repopulation and forest fires. The exacerbated handling of these matters by ecology groups, telling half-truths, not only has not helped to solve the problems, but has managed to attract potential firebugs, and this really worries me."

Sufficient Regulations

The new head of the General Directorate of Environment (DGMA), Fernando Martinez Salcedo, thinks that one of the petitions on which the ecologists are most insistent, namely, the promulgation of a general law on environment, has no justification at present. "The community regulations that we have to enforce in Spain stipulate a higher standard of requirements than any law that we could have made now. At the present time, we have the Law on Management of Toxic and Dangerous Waste, the decree on evaluation of environmental impact, and the bases for taking action to optimize the system of vigilance over atmospheric pollution. What we must do is enforce all these regulations."

Nor does Martinez Salcedo consider it necessary to create a Ministry of Environment, because "it would be a very large box for a very small contents." "In this connection, I don't think that we are at the threshold of a substantive change in the Spanish administration. Nevertheless, I am certain that the

present DGMA is totally insufficient to meet the challenges that will come to us from the European Community." Salcedo admits that there are serious difficulties for enforcing the community guidelines on the subject of environment, under the conditions in our country. He acknowledged: "We are aware that some of the community guidelines entail an economic cost that we cannot afford."

Some guidelines, such as the one requiring a reduction in sulphur dioxide emissions or gearing the Spanish hydrographic system to the European Community's requirements pose insurmountable problems, in the opinion of Martínez Salcedo; so much so that, adapting to the community parameters in the area of water for human consumption or bathing would mean that our country would have to close many industrial installations.

The newly appointed director of ICONA, Mariano Sanz, who until recently was civil governor of Orense, expresses himself in terms similar to those of his predecessor, regarding the criticism that this institution has had to withstand from sectors and individuals associated with the ecology movement. "There has been a certain amount of morbidity in the criticism made of this agency and, in some instances, that criticism has been groundless. I consider a major debate to be necessary, so that those who have serious things to say may say them, and the mere echoes may be silenced. Let those who know about ecology and environment speak, and those who are making criticism with banality please not disturb the debate."

The new function of ICONA, in the view of its director, will consist of "coordinating and devising the major context of efforts," in cooperation with the autonomous communities and other agencies. Some of these efforts relate to the battle against erosion and desert formation, and hydrological restoration. Sanz claims that he is willing to cooperate with everyone to prevent "the administrative patrimonialism from becoming a poison."

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ENVIRONMENTAL ISSUED

SPAIN

## INSECTICIDE CONTAMINATION REPORTED IN NATIONAL PARK

### Thousands of Birds Reportedly Killed

Madrid EL PAIS in Spanish 28 Sep 86 p 24

[Article by Enrique Chueca, Seville]

[Text] Thousands of birds, most of them ducks of various species, are dying along the marshy boundaries of the Donana National Park as a result of massive contamination. According to data supplied by scientists working in the area, the number of dead animals comes to something like 25,000 but it is feared that the final count may be much higher. In spite of these dramatic figures and the timely discovery of this ecological disaster, no responsible agency has taken measures to check this contamination.

The origin of this massive contamination, which was detected during the last days of August, could consist of the indiscriminate use of insecticides by rice growers in the Guadalquivir swamps. Scientists and ICONA [National Nature Preservation Institute] guards, who prefer to remain anonymous, stated that "the small aircraft have been parked here, in the vicinity" during the month of August and the so-called Brazo de la Torre, in the middle of the Donana National Park, was even fumigated on 19 September, something which is completely prohibited.

From that day on, "animals began to die by the hundreds," said Jose Manuel de Benito, the curator at the Donana Park, who was alerted by the guards. De Benito said that, after an inspection of the stricken areas, containers of insecticides, that are prohibited in areas with water fauna, were found. Among these he mentioned Cirial 50, Endosulfan, and Malathion. De Benito reported this to his superiors.

The most heavily hit sections were the Cantarita Canal near the approach to the park, and El Lucio del Cangrejo, located in the same park approach area at Donana and owned by the Jose Maria Blanc Foundation. During the first week of September, 2,300 dead ducks were counted in the El Lucio del Cangrejo section.

One of the Foundation's biologists reported that his veterinarians had by that time already figured out that this was a "presumed case of poisoning

caused by insecticides" and that this was certainly not an epidemic. The strongest suspicion is that various products were mixed for the purpose of boosting the effectiveness of the fumigation. Cans of prohibited insecticides were found in the water arms of the swamps.

In recent days, personnel from the Donana Biological Station, ICONA, rice growers and hunters from Villafranco del Guadalquivir--a town located near the swamp--buried or burned the cadavers of the ducks, "each being concerned with this in a different way." Some did so to prevent contagion from spreading to the park's general fauna; others, it is suspected, were trying to conceal evidence of the disaster that had been brought about here. The stricken species include spoon-bill ducks, royal ducks, and golden ducks and, to a lesser extent, king herons and sharp-beaked waders. Widgeon linnets also died; this species is about to disappear from Spain and is one of the rarest found in Donana.

The animals die slowly as their muscles are paralyzed or they die "dry," according to a Donana guard. The birds appear to have burst open and blood oozes out through the beak and the anus.

Nobody has found any justification for the fact that the Crop Protection Service of the Andalusia Board failed to check on the fumigation. It is likewise not known why "those in charge of this nature preserve concealed the events at Donana from public opinion," according to Jesus Vozmediano, president of the Andalusian Ecologist Association.

#### Blame Put on Banned Insecticide

Madrid EL PAIS in Spanish 30 Sep 86 p 28

[Article by Enrique Chueca, Seville]

[Text] The poisoning of birds in the vicinity of the Donana National Park, which has caused the death of more than 25,000 ducks and other animals, originated from the ingestion of an insecticide, according to initial official reports. The product, whose sale is authorized, even though the Board did not permit its use in the Andalusian swamps, "can be used to eliminate crabs that ruin the rice crops," said Tomas Azcarate, director of AMA (Autonomic Environment Agency), yesterday.

The regional government has recommended to the local population that it refrain from buying or consuming Anatidae because there is reason to suspect that poachers and clandestine traffickers are selling the poisoned ducks.

The Andalusia Board yesterday officially reported on the ecological disaster that occurred in areas bordering on the Donana National Park where thousands of birds have been dying since 5 August. A note disseminated by the agriculture and health councils of the Andalusia Board and by the AMA points out that these agencies conducted coordinated investigations "since the middle of this month" in order to discover the causes leading to this mass death. The note explains that this massive poisoning is due to the ingestion of a

substance, called methyl-parathion, which is an organic phosphorated preparation that is banned throughout the autonomous community. According to the agency report, this much can be learned from the first report sent out by the National Agricultural Laboratory and the Majadahonda (Madrid) National Toxicology Center.

Official announcements followed each other in rapid succession yesterday; at the same time, personnel of the Environmental Agency, from the Donana Biological Station, and from the Jose Maria Blanc Foundation--the owner of one of the areas most heavily hit by this ecological disaster, Lucio del Cangrejo--worked hard to collect the cadavers of the animals that continued to die as a result of this contamination. The animals for the most part are ducks but herons, golden ducks, and sharp-beaked waders have also died, along with other protected species, such as flamingoes. The cadavers are piled up and incinerated to prevent the spread of this contamination.

The Crop Protection Service, which is responsible for handling pests in the Guadalquivir swamps, stated that there was no truth in the story to the effect that rice growers used the methy-parathion insecticide. Juan Ignacio Caballero, the head of this agency, said that there was "strict control" on fumigations during the summer in the course of the two official programs carried out in the rice-growing area. However, Caballero did point out that the rice growers can conduct individual fumigations "over which we have no control." He added, on the other hand, that "until 19 September" there had been no official report on the massive death of birds. Biologists from the ICONA (National Nature Conservation Institute) said that they verbally reported the disaster during the first few days of August and that they did so in writing on 23 September. According to the Donana acting curator Juan Manuel de Benito, no response had been received as of last Saturday.

Officially, suspicions as to the source of this contamination centers on persons, who, either individually or collectively, sprayed the contaminating product or dumped it into the swamps. The rice growers deny any responsibility for this matter.

The PCE [Spanish Communist Party] has demanded the resignation of officials in charge at Donana, including Alfonso Guerra, chairman of the Board of Trustees, who is accused of having "ordered the evidence of the disaster to be hidden."

#### Area of Bird Kill Spreads Beyond Park

Madrid EL PAIS in Spanish 1 Oct 86 p 26

[Article by Enrique Chueca, Seville]

[Text] The number of water birds that died due to massive contamination along the edges of the Donana National Park in recent days reached an estimated 27,000. According to an announcement made yesterday by Juan Manuel de Benito, the acting curator at Donana, there is a new center of mass death in the so-called Lucio del Italiano section, inside the area described as the approach to the park which therefore is entitled to "special protection."



De Benito however noted that the situation "continues to be serious" in the Seville rice-growing marshes, the place where the ecological disaster began.

The AMA, in turn, will today supply the final analyses of the specimens of poisoned birds and of mud from the swamps that were sent to the National Agricultural Laboratory. The first report from that agency shows that the product that caused the disaster was the insecticide called methyl-parathion, a product whose use is banned in water areas by the Andalucia Board, even though its sale in Spain is legal.

According to AMA Director Tomas Azcatore, the insecticide perhaps was used to "eliminate the crabs that ruin the rice crops," a possibility which the rice growers deny emphatically.

#### Initial Suspicions

The administration's initial suspicions on the source of this contamination centered on persons who, either individually or collectively, used the contaminating product to fumigate the swamps or simply dumped it into the swamps.

Jose Hermano Mateu, a rice grower and member of the rice consultative committee of the European Community, publicly challenged those who are making these charges to prove that the Guadalquivir swamp rice growers have anything to do with this event. Hermano Mateu admitted that perhaps "some unscrupulous person" used banned products.

The discovery of a new source of mass death in Lucio del Italiano, located in the northern part of the Donana Park approach, was viewed with concern by biologists from ICONA.

According to Juan Manuel de Benito, ICONA and AMA will today step up efforts to continue collecting the animal cadavers, both in Lucio del Italiano and in the Cantarita rice-growing marshes, where the situation continues to be serious.

After the collection has been completed--for which purpose dogs will be used--it will be possible with greater accuracy to determine the number of dead birds.

In any case, it can be stated that the figure will not fall below 27,000, as De Benito reported.

The Andalucian Ecologist Association, which has asked Alfonso Guerra, who in turn is chairman of the Donana Board of Trustees, to intervene in this matter, last Monday requested an urgent summons for this institution to meet in order to analyze these events. Andalucian President Jesus Vozmediano declared that he will demand criminal liability on the grounds of "absolute ineffectiveness" displayed by the Administration in averting the ecological disaster. Ecologists also disagree with reports to the effect that there is no connection between the rice-growing swamps and the Donana National Park.

"It must be kept in mind," emphasized Vozmediano, "that most of the Donana birds during the summer move to the swamps because there is no water in the park."

#### Individuals Responsible for Disaster Sought

Madrid EL PAIS in Spanish 4 Oct 86 p 25

[Article by Enrique Chueca, Seville]

[Text] Government Vice President Alfonso Guerra, who in turn is chairman of the Donana National Park Board of Trustees, will today ask that "liability charges" be made against public agencies and individuals connected with the ecological disaster that took place in the areas bordering on Donana, as Jaime Montaner, vice chairman of the Board of Trustees, hinted yesterday. The Permanent Commission of the Board of Trustees will hold a regular meeting in Seville today in whose course, among other things, it will study the "mass death of water fauna discovered in the area covered by the National Park," which involved thousands of birds.

Jaime Montaner, vice chairman of the Board of Trustees and Public Works Council member of the Andalusia Board, yesterday rejected any responsibility on the part of the Board of Trustees in the Donana disaster and emphasized that its action was "on time, impeccable, careful, respectful, and urgent."

He pointed out that "the Board of Trustees, through its chairman, will state the liabilities of public agencies and individuals" in relation to the death of some 27,000 birds in the vicinity and in the Donana Park approach, an ecological disaster that began during the first few days of August.

#### Judicial Investigation

The ICONA yesterday released an announcement in Madrid in which it stated that it has filed charges in the death of the birds and has asked for a judicial investigation so as to "make it possible to determine any liability of any kind that could be derived from this, if the use of toxic products around the park is proven, with possible effects on the living conditions of the birds located in the park."

The Donana Board of Trustees, an agency which, for administrative purposes, is under the Agriculture Ministry, has the job of "watching over" compliance with the standards established in the Donana Law which, among its principles includes "protecting the integrity of the minerals, the fauna, the flora, the waters and the atmosphere, and, finally, the group of ecosystems in the Donana National Park."

The law devotes a special section to protection of park approach areas, places where thousands of birds died, according to Juan Manuel de Benito, Donana acting curator.

## Analyses

The Andalucian board member stated that he had no knowledge as to what happened in the area around Donana until 25 September, the date he received a preliminary report from ICONA, signed by Juan Manuel de Benito, the park's acting curator.

According to Montaner, this report reached the office of the Board of Trustees on 24 September, "it studied it on 25 September and Alfonso Guerra had it in his hands on 26 September." Montaner said that he did not know the reasons why ICONA, which is responsible for the law managing the park, did so. The note made public by ICONA in Madrid asserts that the mass death of birds outside the park's perimeter was discovered at the end of August. "This was immediately reported to the competent authorities of the Andalucia Board, in particular, the Environmental Agency."

The AMA indicates that it is waiting to receive--"perhaps early next week"--the last analyses of specimens sent in to conduct investigations in the National Toxicology Institute, the Cordoba Veterinary School, and the National Agricultural Institute.

## Botulism Epidemic Feared in Park

Madrid EL PAIS in Spanish 5 Oct 86 p 18

[Article by Enrique Chueca, Seville]

[Text] Donana Board of Trustees Chairman Alfonso Guerra announced yesterday that there is a danger of botulism developing in the National Park as a result of the side effect produced by the thousands of dead birds in areas bordering on Donana. The results of this epidemic, he said, could reach incalculable proportions. On the other hand, Guerra pointed out that all agencies that have any responsibility in connection with this ecological disaster "proved and are still proving" that they were coordinated and that they acted correctly.

The Donana National Park Board of Directors, whose permanent commission met yesterday in Seville, believes that "the most probable cause" of the high mortality in the Donana vicinity and park approach is "an acute poisoning with pesticides of the organic-phosphorated type," that is to say, by products that are highly dangerous to the bird fauna and that are banned by the Andalucian Government. The assumption presented yesterday was rejected last Thursday by Migue Manaute, Agriculture Council member of the Andalucian Board, and by the AMA.

Alfonso Guerra, who repeatedly emphasized that "nothing is happening in the Donana Park today," said that he did not know who might be responsible for dumping the insecticides into the water but he noted that the Board of Trustees will promote a judicial investigation on the events "and will ask for the determination of any liability of any kind that could spring from this, regardless of whether this may involve public or private property."

### Three Phases of Mass Death

According to reports from the Board of Trustees, there were three differentiated phases concerning this mass death throughout August and September; the rate was low in August, it became acute during the first few days of September and the side effects spread during the last days of that month, with very few deaths.

Guerra however stressed that the main concern at this time has to do with the possible appearance of an outbreak of botulism as a result of the earlier phases. "There is a danger," said Alfonso Guerra, "of a repetition of what happened in 1973 when, as a result of poisoning, there was an epidemic of botulism that caused a large number of deaths, close to 70,000." To prevent this possible disaster, a series of measures were taken, including the burning of all bird cadavers.

On the other hand, "although it only has consultative and advisory functions," the Donana Board of Trustees will propose and promote, in dealing with responsible government agencies, certain short-term and medium-term preventive and corrective measures, as well as others that can be carried out inside and outside the National Park. In this connection, Guerra mentioned the stepped-up vigilance, the artificial supply of fodder for migratory birds that will arrive soon at the Park, and the drainage of the rice paddies where a higher death rate was discovered. It is also considered necessary to regulate the use of insecticides and to keep close tabs on fumigations in the marshes.

5058

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ENVIRONMENTAL ISSUED

SPAIN

# SIGNIFICANT POLLUTION REPORTED AT MADRID RESERVOIR

Madrid ABC in Spanish 5 Oct 86 p 43

[Text] Madrid--Flies attracted by garbage, bottles, cans, wads of toilet paper, infants' diapers, paper, and excrement are some of the waste that anyone can find in the vicinity of the Madrid "beach," in other words, the San Juan reservoir. This beautiful spot has been invaded by Sunday visitors; only there are dozens of motor boats afloat on the docks.

The San Juan reservoir is situated between the municipal boundaries of Pelayos de la Presa and San Martin de Valdeiglesias. This large artificial reservoir is part of the Isabel II channel facilities supplying water to the capital. It also contributes to the group of tourist sites that the region's residents have available to spend a holiday, a weekend, or even an entire summer. Some leave their field tents and vans set up throughout the year; all of this without paying anything to occupy a plot of land.

One is not only surprised upon viewing the regrettable appearance evinced by the shores and areas adjoining the reservoir. The visitor who decides to go to this "beach" for the first time may easily become lost. The reason is none other than a lack of signs. Navas del Rey is usually the locality in which the only sign posted at the side of the highway appears, if one persists in approaching, regardless. Once there, it is only necessary to ask one of the town's kind residents, in order to take the route leading to the desired spot.

Upon entering the pine grove, along a goat path, one reaches the reservoir dock. The visitor has now arrived.

A few steps, if this route is chosen, or a grade, along which cars are driven, lead the new arrival to two stands. One is called "Kiosco Madrid," and the other, "El Muro." While Manolo, the person responsible for tending the first-named snack bar, was serving a couple of beers, he remarked: "Look, many tourists come here, especially on weekends. This is becoming impossible; besides, with so much boating...In the past there was more room for bathing, but now the land has been taken over by the dock. They claim that, when they move it up above, this area will be left cleaner. Right now, as you can see, there is almost no room for the bathers."

The employee's comments could not be more correct. Under the embankment, one observes the main dock. Dozens of motors and boats with outboard motors are moored to the timbers on the passageway, to which entry is banned. Next to this small dock one reads a sign: "Bathing prohibited."

Before beginning the visual inspection, the new arrival has had the opportunity to read the placard advertising the services offered by the El Ancla dock: "Mooring sites for private vessels for rent. Rentals of rowboats, paddle boats, canoes, and motors (gas-oil); machine shop. Repairs for all makes of marine motors, both in and outboard. Sail and motorboat nautical repairs. Purchase and sale of boats."

One would appear to be at the entrance to Puerto Banus, with so much service, so many boats, and so many motors. "Do you know what? I wouldn't go into the water for anything in the world. The other day a youngster came out with injuries that were painful to see. As for me? For nothing in the world." These comments by the waiter dispel the enchantment and bring the observer back to the reality of what is turning into a dung heap.

But the matter does not stop here. A little farther on, there is someone who has fenced in a plot of land in the middle of which he has set up his field tent and his van. Colored wires demarcate the land, as if it were private property. They have installed antennas, and decorated the entrance with small rugs...One notes a certain amount of cleanliness inside the quarters. Outside, it is something else. Wads of toilet paper, other paper, excrement, remains of boats with rotted wood, pieces of iron. The garbage cans which can hardly be found around there are rusty bins apparently not cared for by anyone.

"No one pays any money here. They come, set up their belongings, install their facilities, and even stay all summer."

"Do you say that they don't pay for camping?"

"Of course. This place is a mess. Up to here, it belongs to Pelayos de la Presa, and from here to there, it belongs to San Martin de Valdeiglesias. (The waiter, Manolo, indicates a spot that is almost an abstraction. He talks in meters, but no one really knows the boundaries exactly.)

None of the proprietors wants to hear about sanitation either. The flies flutter around the heads of those located in the snack bar. There are no sanitary facilities.

2909

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ENVIRONMENTAL ISSUED

SPAIN

# ALBACETE WATER SUPPLY SUSPENDED FOR POLLUTION

Madrid ABC in Spanish 5 Oct 86 p 33

[Text] Albacete--This capital's over 125,000 residents have been without water for 3 days as a result of damage which occurred in the conduit pipes, into which sewage flowing through a parallel pipe penetrated, and both were broken by an excavator shovel.

Although the authorities have attempted to calm the population, claiming that the situation has not become particularly serious, there is the condition whereby, as a result of this damage, classes have been stopped in all educational centers, both in the primary and secondary schools, as a result of which about 40,000 students are on compulsory vacation. With the persistent recommendation that water not be consumed for drinking and household uses unless it has been previously boiled, the public has set forth en masse to supermarkets and food stores where it has managed to purchase nearly a million liters of water. According to public complaints, it has so happened that, in some establishments, they have charged 10 pesetas more than the normal price for a bottle of mineral water, and the point has been reached when the supplies have been depleted.

The mineral water supply was quickly normalized in some establishments, while many Albaceta residents went to the neighboring towns to procure supplies of the essential liquid.

The municipal slaughterhouse and food industries in the capital have halted their activities. In some coffee shops, coffee made with mineral water is being served. Purchases of bread and bakery goods have declined considerably, as has public attendance at restaurants and coffee shops.

2909

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ENVIRONMENTAL ISSUED

SPAIN

# CHEMICAL POLLUTION IN HUELVA RIVER KILLS 30,000 FISH

Madrid EL PAIS in Spanish 16 Oct 86 p 31

[Text] Huelva--The results of the first analyses made by the Sevilla Toxicological Institute to learn the reasons for the death of thousands of fish, mainly striped mullet, last Tuesday, in the Odiel (Huelva) estuary indicate that chemical substances (sulphuric acid or phosphoric acid) have been discovered in the Huelva estuary.

The first estimates made by the Environment Agency's provincial directorate indicate, at the outset, a death rate of 30,000 fish, although this figure could increase considerably.

The first conjectures noted by the Environment Agency and the Huelva civil government indicated as the origin of this incident "the storms that have occurred in Huelva and its province, which may have caused a sudden change in the PH of the water, due to the effects of acidification." This natural phenomenon was rejected from the beginning by the Andalus ecological association which considered it "impossible for rain to have occurred which was heavy enough to bring about this effect, considering the extensive area over which the fish appeared (8 kilometers)."

As for the possibility of the accumulation of heavy metals in the Odiel River, coming from the province's pyrite mines, this was also precluded by Andalus, "because the deaths of fish would not have been so massive, nor would the effects have been so great, in such a short period of time."

Andalus claims, on the contrary, that this death toll was caused "by some type of toxic waste emitted by a boat or a chemical company in the industrial enclave, which empty their liquid waste into the estuary every day." The ecological association has filed a complaint for an alleged ecological crime.

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END