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24 OCTOBER 1986

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POLITICAL

BELGIUM

MARTENS ON GOVERNMENT PRIORITIES, REGIONAL ISSUES, COALITION

Brussels LA LIBRE BELGIQUE in French 1 Sep 86 pp 2-3

[Interview with Prime Minister Wilfried Martens, by Guy Dalozé and André Mean, in Bormes-les-Mimosas; date not given]

[Text] [Question] Your composer this vacation is Johann Sebastian Bach.

[Answer] Because for me, he represents perfection in music and I identify with him. Bach is essentially order and balance, two essential elements in my life. I do not like fantasy or deviation.

[Question] And your summer reading?

[Answer] It is trilingual. I liked the fictionalized life of Lincoln by Gore Vidal very much because it showed me that there were contrasting characters in the American Government. I also discovered that Lincoln, who deliberately chose the low profile of the country lawyer, imposed his will by the force of his personality.

I also read "Perfume" by Patrick Suskind, remarkably well translated from the German into French. In German, I read "Warum Ich glaube" (Why I Believe), a somewhat theological work. I have reached an age where one begins to meditate on life and death, the existence of God. The book impressed me and it also enabled me to refresh my German. I will need it for my official visit to the FRG.

Music, reading, basic physical exercise (swimming, walking, watering the flowers): All of these things give me a special pace of life in one of the most beautiful environments in the world.

Education

[Question] And yet, you have to think about getting back to politics. The beginning of the school year also. That will be the government's first problem, with so much talk about bungling.

[Answer] Choosing economy measures in education was an extremely difficult task. I understand the education community, so tied am I emotionally to education. It was a factor in my personal emancipation.

The recent period of drafting measures, redefining them and quarrels about figures is proof that the time has come for a dialogue on education with everyone involved. It will begin in September in order to evaluate what the economy measures mean in the field, but also in order to join together in studying measures for the next academic year. The economy measures will therefore have had the effect of the opening of real and continuing concertation of the political and world and the education community to study the necessary reforms.

[Question] Then education is not just a budget problem for you.

[Answer] Absolutely not! Because of the questions they brought up, the budget measures pointed to the need, in education and elsewhere, for far-reaching reforms. The discussion on changes had been in the wings on Rue Guimard for years. It will now resume, with the aim of creating a unique type of education, integrating the positive elements of what is both traditional and new. And by opening up the dialogue again.

[Question] Is such a dialogue still possible in the presence of Minister Damseaux?

[Answer] We have closed our discussion of individuals, but it is no longer possible for the individual responsibility of ministers to be swallowed up in the collective responsibility of the government. Today, in fact, every difficult political question is debated in the Cabinet and all delicate parliamentary questions are put to the prime minister as if one always wanted to involve the responsibility of the entire government.

The Val Duchesse plan is now expressed in legal texts and orders. This is an important new point because it will show more clearly and more visibly the individual responsibility of the ministers. It is now a matter of management and concrete responsibility. A problem will arise for ministers who are not capable of correctly achieving the objectives that have not only been decided upon politically, but also expressed in texts and concrete measures.

[Question] Have you thought of a Cabinet shakeup? Are you still thinking about one?

[Answer] I have always said that I did not view such a shakeup as an isolated factor. For me, it was linked to the success -- or lack of success -- of the Val Duchesse operation, which was to be a demonstration of cohesion. If a member of the government had not been capable of presenting the necessary measures in his sector in order to implement collective decisions, then one should have posed the question of the shakeup more specifically.

Today, it is the matter of concrete, practical management that is posed, with increased specific individual responsibility of each minister.

[Question] Is that a warning?

[Answer] No, but a shakeup will perhaps be necessary if one or more ministers do not succeed in applying the measures decided upon.

[Question] In other words, it is the *stok achter de deur*?

[Answer] Yes. Slowly but surely, we shall restore a healthier practice. Efficient management presumes greater responsibility on the part of each minister, especially when it is a question of budgetary reorganization.

Michel and Deprez

[Question] It has been said that you thought of adding Michel and Deprez to your team. Do those two presidents give you trouble remaining outside the government?

[Answer] I have no problems with the presidents of the majority and it is important to have reliable, loyal persons who believe in the coalition at the head of the parties. But everyone knows that since 1981, I have always tried to bring into the government those I considered to be very important men and women. A government is strong only if it had valid men. I have never had any complex about competition from prominent persons, not even within my own party.

Gerard Deprez and Louis Michel are extremely valuable politicians and their presence in the government or at the head of their party is an important thing. They can decide to remain president. That is their choice, their responsibility, and that can be as important for the government as if they became ministers.

[Question] There has also been talk of reviewing the role of secretaries of state.

[Answer] For the most part, I share the views of Jean Gol on this matter, but I have no immediate plan.

[Question] You did have, perhaps.

[Answer] There were suggestions during the Val Duchesse budget discussions, but they did not come from me. Furthermore, if the prime minister has ideas along these lines, he does not communicate them; he carries them out.

It is true that the current practice does not correspond to what was planned for the secretaries of state in the 1970 government reform.

[Question] Did you like Martens V better than Martens VI?

[Answer] No. Martens V was obviously a real government of change, with all the freshness of innovation. But Martens VI has the same style. He has just demonstrated that he could decide.

Debt

[Question] The operation on the public debt is an important element of your plan of reorganization. Some have doubts, saying that the banks should have paid more than 2 billion.

[Answer] The entire operation comes to 108 billion spread over 5 years. The net profit for the balance to be financed by the state is 63.1 billion. An effort of several billion is required out of the banks' own means.

The operation was planned very carefully.

[Question] With a catch?

[Answer] No catch as far as the technical planning is concerned. It was a very delicate matter because Belgium's credit abroad and the public's confidence in the government could have been questioned, but Minister of Finance Eyskens defended our cause before the officials of the financial world very well. The reactions show that the operation was beneficial.

Mastering the Demons

[Question] Will this new September session not also be a crossroads with the preparation of the 1987 Budget and the return of the community question?

[Answer] The top priority remains the task of economic and budget recovery. This will not change in September, but we have to master our demons. Every country has its demons. We have ours and I will not conceal the fact that mastering the linguistic demons in September will not be easy.

I would add that we must prepare, not overall community negotiations -- which would only be aimed at bringing back the socialists -- but complementary reforms (increased powers and financial means for the regions). The communities and regions must make part of the budgetary reorganization effort, but I want to include this effort within a broader framework. I also believe that we must take a serious look at Brussels' status.

However, I want to be extremely clear: The community issue is not a priority. Community negotiations would quickly have the look of a political operation for the government and the community itself. I believe that we have been wrong in the past to have government negotiations on the community. We must plan the community reform in Parliament.

I have told you of two subjects that become urgent, but there are others: the double term, the hierarchy of standards, conflicts of interest.

Everything depends on one's approach. Have we lost sight of the fact that the essential priority remains the country's recovery? For me, there can be no question of changing that priority.

[Question] Do you expect to revive the Center of Studies for Government Reform or do you prefer a more parliamentary approach?

[Answer] A more parliamentary approach.

[Question] Specifically, does that mean that the government will play an active role this time?

[Answer] The dialogue must take place in Parliament, but I will play an active role.

Happart Affair

[Question] Will the Happart affair be an opportunity to play this active role or could everything fall apart?

[Answer] I repeat: I hope that we can control the demons. Furthermore, I am convinced of a more fundamental need: the need for political stability and that of our institutions. That is the most important factor of our credibility abroad.

Maintaining a danger, a constant mortgage, on the country's stability is something extremely serious. I cannot say anything concrete at this time at the risk of compromising everything, but my ambition is to get rid of that mortgage. I would also add that we must respect the rulings of our country's highest legal bodies. And yet, the most important thing is to find a solution making it possible to eliminate the mortgage burdening the government and the country.

[Question] If, against your wishes, we are dragged into overall community negotiations, does this not mean that return of the socialists fairly soon?

[Answer] We must be clear. If we want to change the law of 8 August 1980 on regionalization or, in longer-range terms, if we want to revise the constitution, we need a two-thirds majority.

In theory, it is possible for a government with a simple majority to have the cooperation of one or several opposition parties. In the experience of Belgian government life -- except in the case of 1971 -- there is no precedent of outside cooperation of the opposition.

Therefore, those who speak of a tripartite government today simply want to force the entry of the socialists into the government. I would find that unfortunate because I am convinced that the Belgian socialists are not always capable of carrying out a budgetary reorganization. The proposals that come from them are not effective or serious. I am sorry to use such crude terms, but I believe that the arrival of the socialists would compromise the continuation of the work of budgetary recovery.

It would truly be harmful to have community negotiations that would fatally lead to the establishment of a government once again immobilized in its work of recovery.

Elections

[Question] You do not believe in an "objective" alliance between the CVP and the PS in order to go much further in government reform?

[Answer] Other spokesmen in the CVP -- I am thinking of Jean-Luc Dehaene -- have said that it was now completely impossible for anyone in the party to form another majority.

[Question] You would have to go through preliminary elections?

[Answer] We made an extremely clear choice in the last elections. We said that we wanted to continue the policy of recovery with the same coalition as under the previous legislature. I have personally committed myself to the objective, the method and the coalition. I do not want to deny that commitment. Moreover, no one could do it in the CVP, as Dehaene said. He is the spokesman for the ACW [Christian Labor Movement] in the party and the government.

If they tried to form another majority, it would be a stolen majority. We have obtained a majority in the country on a precise policy. If they want to change that policy, we would have to have new elections.

[Question] No overall community negotiations, but at the same time, you say that it is necessary to get rid of the Happart mortgage. Do you have something in mind?

[Answer] If I did, I would not reveal it now. I can simply say that I cannot act alone, but I can make my contribution.

I repeat that we have to get rid of the mortgage that is a constant burden to the government.

[Question] Does that mean that we need a basic solution?

[Answer] Yes. Such a situation must never be repeated. I find this entire affair out of proportion and unreasonable, but I also say that we must respect the decisions of the Council of State. It does not seem possible in a state of law not to respect the decisions of the Council of State.

First of all, we have to wait for the decisions and the motives for that decision. I know nothing, not the date, not the content or the considerations. These would be very important.

I repeat that we have to respect the decision. It is something else to eliminate the mortgage by finding a solution preventing such an affair from being repeated and threatening the life of the government at any time.

[Question] If Happart is broken and represented as a candidate for burgomaster, do you believe it would be a kind of insult to the magistracy?

[Answer] We must wait for the decision of the Council of State. In certain commentaries, things are presented in a somewhat simplistic manner. Much depends on the motivation of the Council of State. Is it a purely procedural question or a matter of substance? As a seasoned jurist, I must point out that elementary distinction.

[Question] In order to finish with this matter, do you believe that any modification in the Fourons statute is possible?

[Answer] It is not possible because reciprocity is not possible and we know what reciprocity is (Editor's Note: the trade with Mouscron-Comines in 1963). There was a link.

Nor must we forget that in order to change the statute, we would have to have a qualified majority and therefore, a majority in each community.

Expansion of Competencies

[Question] Another thing: Geens has officially posed the problem of the expansion of regional competencies. What is your position?

[Answer] There is obviously a problem of cleaning up the texts. There should undoubtedly be fewer exceptions. There is also a problem of a hierarchy of standards in what is called competitive matters.

The question of competencies is essentially linked to financial means. This is the first time that I have the impression, in 5 years, that we have come out of a period of confrontation to the benefit of real cooperation. Concerning financial means, suggestions have recently been formulated and it seems to me that they can help to find an agreement.

The current means are too limited, but their expansion should go hand in hand with the expansion of true regional responsibility. At the present time, the executive officials are concerned with the allocation of financial means, but do not have real responsibility.

Problems of Brussels

[Question] We have the impression that regarding the Flemish question, everyone is burying the notion of the "third region" (*107 quater*) on behalf of a resurgence of the great urban center with increased competencies. What is your position?

[Answer] I have no preconceived position. For me, it is all the same. If a good agreement can be found in the direction of a regional council and a regional executive, then I prefer that. For me, the application of the *107 quater* is the most suitable, both with respect to the constitution and because it is the spirit of reform.

The important thing -- and this is what is new -- is that we can now speak of real interest from the Flemish for a status for Brussels. Our Brussels Flemish speakers have become totally aware of the problems of the capital. In the government negotiations, I saw that both French and Flemish speakers in Brussels fought together to solve the real problems faced by all Brussels residents. This will enable us to find a solution.

[Question] Are you for new elections for the Brussels Urban Center Council?

[Answer] I have no definite idea on the matter. On this question, I am relying on the two ministers of institutional reforms and those in my party who are concerned about the fate of Brussels. I am thinking of Chabert and others.

[Question] If there are elections, will we have to change the type of election planned in 1971?

[Answer] No, if we have the guarantee that, on the Dutch-speaking lists, there are true Dutch speakers. But I understand that my friends want to change the legislation to be completely sure.

[Question] Concerning the plan to reorganize the Brussels communes presented by De Donnea for the granting of rights of succession to Brussels, Dehaene spoke of a "mere piece of paper in order to get money." Do you share that opinion?

[Answer] I find it proper that Dehaene and Gol should be associated with the Brussels Executive. They are highly valuable men.

The Brussels Executive, with which the two ministers of institutional reforms are associated, is perfectly capable of drafting a reorganization plan.

[Question] Does that plan imply new guarantees for the Brussels Flemish speakers?

[Answer] One has but to read the reforms provided for in the government agreement.

[Question] But there is no question of guarantees for the Flemish in the government agreement.

[Answer] I believe that there is a problem of reorganization in order to arrive at healthy financial management and also a problem of reorganization in order to make the region and the urban center viable.

[Question] Everyone agrees on that, but this does not always imply new guarantees for the Flemish speakers of Brussels. What is your interpretation?

[Answer] That of the government.

[Question] And what is that?

[Answer] They were extremely precise in the government negotiations.

[Question] Consequently, there is more than the text included in the government agreement. Is it a secret agreement?

[Answer] No, but everyone agreed on the interpretation of the text. I believe that Dahaene and Gol's association with the Brussels Executive is now the essential guarantee for reaching a solution.

Cultural Bicomunity

[Question] In a year, the government was not able to come to an agreement on the fate to be reserved for the major cultural institutions (TRM, major Brussels museums, and so on), which remain national. Are you going to allow the problem to rot or even bury it?

[Answer] No, certainly not. We have decided to set up a working group within the government with the task of ensuring the continuation and expansion of these great cultural institutions. This working group is going to meet under my chairmanship as soon as we assemble.

These institutions face problems of management and financial problems. The working group must propose a formula of political responsibility. Are we to maintain the system of two ministers of national education or entrust responsibility to a national minister, either the prime minister or another? Personally speaking, I am for a single decision-making center.

[Question] You therefore do not anticipate any intervention by the communities in the management of these common institutions?

[Answer] That is excluded by the constitution. In order to respond to the sensitivities of the communities, we have for years entrusted responsibility for the institutions to the two ministers of national education: the Flemish and the French. It is a very difficult situation.

I think that we must now find a more fitting solution. It will be up to the working group to provide an answer.

Community Education?

[Question] In recent days, some have spoken of a kind of "preparatory communitization" of education. Do you believe in a formula of that type?

[Answer] I do not. Experience has taught me that the communitization of education is an extremely serious problem. I still believe that if we have not included guarantees on the ideological level in the constitution, then we cannot communitize education. I personally propose to include the principles of the Education Pact in the constitution so that orders contrary to these principles could be canceled by the Court of Arbitration.

There is also the problem of financial means. It is linked to a new distribution of the means of the communities.

For these reasons, I have difficulty imagining the emergence of so-called "preparatory" solutions.

[Question] Now for the social aspect. It has been written that you had an agreement prepared with Houthuys.

[Answer] I have no agreement with Houthuys, but through unified efforts, we tried to respond to a series of crucial observations from the social interlocutors and especially, the CSC [Confederation of Christian Trade Unions] with respect to the concrete application of Val Duchesse, and we modified -- it was necessary -- certain very sensitive points in the measures. I hope that these real modifications will be properly appreciated.

[Question] Do you believe in a controversial new session on social matters?

[Answer] The working world is aware of the need for effort and the government has tried not to do harm for nothing. We have taken the trade union observations into account, but we cannot lose sight of the fact that it is in the interest of the workers to free ourselves from the budget nightmare.

I do not believe that the CSC has political objectives, that it wants to oust the government, following the example of Vandenbroucke's FGTB [General Federation of Labor of Belgium].

[Question] What do you mean?

[Answer] The socialist movement either wants to oust the government by means of social agitation, or come into the government through the bias of the community issue, which would be a bad solution.

[Question] Why?

[Answer] Because it is a false path. We must take another, that of Parliament, if one again wants to open up the community file.

[Question] The interprofessional agreement is a way out or a hope?

[Answer] It is a serious hope, but I fear that the FGTB is not ready to sign such an agreement. Or, to be clearer, I believe that there is, within the FGTB, a struggle of influence between those who have a political objective (fighting the government) and those who have a social objective (concluding an interprofessional agreement).

[Question] And if there is no agreement?

[Answer] Then the government will intervene. We are awaiting an answer by 15 September. Employment is now an essential objective. Without an interprofessional agreement, we shall, as in 1982, establish the framework in which negotiations can take place in the sectors and enterprises.

[Question] We are aware of your personal interest in the audiovisual field, but the proposal on advertising has not yet been passed by Parliament.

[Answer] It was passed by a committee of the Chamber and will be on its agenda when Parliament comes into session publicly in October, so that it can be passed by the two chambers before the end of the year.

For me, it is a basic proposal because it authorizes commercial publicity on a single network per community. In the government's view, those that have an agreement with the press will obtain their authorization.

[Question] It does not bother you to entrust the monopoly over advertising to the private rather than the public sector?

[Answer] No, if the private sector has an agreement with the written press.

[Question] Why?

[Answer] Because pluralism is as essential in audiovisual information as it is in written information. We are still the only country in the European community in which there remains (in Flanders) a monopoly over audiovisual information.

Pluralism cannot be assured by private companies unless they have financial means from commercial advertising. There is nothing indecent about this. In Great Britain, which for me is a model in the field, the public BBC and the private ITV, financed by commercial advertising, coexist.

[Question] The new session will also witness ethical problems. We could well witness the establishment of different majorities (liberal and socialist, for example), which could constitute a danger to the government, which would have difficulty remaining above the melee.

[Answer] That is not the business of the government, as the majority says. It is a problem of personal conscience, but I do not underestimate the difficulty. One has, on the one hand, the government agreement and, on the other, sometimes very heated debate. If they want to cohabit within the government, all the majority parties must accept a certain form of reserve and they cannot allow themselves to support radical, extreme or extremist proposals. But I obviously do not in any way deny the government agreement.

[Question] What is your personal opinion?

[Answer] My belief is that, given the evolutions we have seen in neighboring countries that have introduced liberal legislation, we shall one day see that the essential thing regarding the matter of abortion depends on the professional and deontological conscience of the doctors and that a humanistic and human jurisprudence can solve many problems.

Moreover, this is the conception of the Dutch Council of State when questioned on a possible change in the law on euthanasia after painful discussions.

TGV

[Question] The TGV will also be a problem in the new session. As in the matter of the missiles, is it up to the government and not Parliament to decide?

[Answer] No. De Croo must present the matter to the government, which he has not yet done.

[Question] And Parliament will then have something to say.

[Answer] Obviously! As for the missiles, which come under the defense policy, the constitution expressly provided that the decision had to come from the government. Parliament could only approve or condemn the decision. In other fields -- such is the case of the TGV -- the government can intervene directly and define the content of the decision.

[Question] Your personal opinion then? De Croo spoke of a choice of society, of a chance not to be missed by Belgium.

[Answer] I do not want to say without knowing the elements of the file.

[Question] But you must act quickly because your European partners are awaiting a decision by October.

[Answer] The file will still be discussed in the European Council of Ministers, but the Belgian Parliament must intervene. And we must make a decision on the very principle of the TGV.

[Question] It has not been made?

[Answer] No.

[Question] Can this matter endanger the government?

[Answer] There are people, like the Liege residents, who absolutely want this proposal. There are others, like the people of Campine, who do not want it at all. Unfortunately for both, one has to cross part of the country to get to Liege. Therefore, we need a decision by the government and the national Parliament.

New Frontiers

[Question] We are now waiting for the government to set "new frontiers" for the country. Do you not believe that it is high time to give the government -- and the Belgians -- a second wind and new breath?

[Answer] People have perhaps, and rightly, had the impression that the government had confined itself to the budget debate alone. But it was necessary. Today, the great change, insofar as budget decisions are made loyally, is that a new space is appearing for the government, which is going to have the possibility of showing the real dimensions of its program for employment, industrial policy and fiscal policy.

[Question] Are you going to reduce taxes?

[Answer] I am convinced that a great fiscal reform is possible insofar as we succeed in the budgetary rehabilitation and if we have the courage to do away with all kinds of tax deductions, as they have done in the United States.

[Question] At the cost of a new Val Duchesse?

[Answer] The 1984 plan was not so bad, but its rehabilitation aspect was not completely carried out, mainly because of the political accident following the Heysel drama. The reorganization measures in education were included in it and even in the legal texts, but they were not applied. There is no question of a new plan. We must succeed now.

[Question] The next deadline will be budgetary control at the beginning of 1987.

[Answer] It is clear that we are going to succeed, thus confirming that a fundamental change has come about. Although I learned from Raymond Barre that budget work was a fight every week, work of perseverance in which there are no miracles. Above all, it is the fight of the prime minister and the budget minister.

[Question] You are aided by a good "gamekeeper."

[Answer] I wanted Verhofstadt to be in the government and to be minister of the budget.

[Question] In other words, Martens VI is more Martens-Verhofstadt than Martens-Gol.

[Answer] I will not get involved in that discussion, which would cast a shadow over the life of the government. It is normal that during the period of budget work, the name of the budget minister be in the headlines, but the role of Mr Gol and of Deputy Prime Ministers Nothomb and Dehaene and the other key ministers in general remains as valid as in the previous government.

Opposition

[Question] Is there not more dialogue with the opposition abroad? Certain sharp corners could undoubtedly be rounded off if you met with the opposition leaders, without necessarily deducing that there is something fishy.

[Answer] There is much greater hostility in France and Great Britain. Our great chance is that everyone knows one another and that in my different successive governments, I have had ministers from all the parties, with the exception of the communists. This creates extremely profitable bonds in the country that do not exist in the "bipolarized" countries.

And yet, personal contacts can always be interpreted as maneuvers against the government in power in order to form another coalition. That is why I have always been extremely strict on this question.

[Question] It is said that you have always refused a televised debate with Spitaels.

[Answer] The main opposition leader must challenge the prime minister in Parliament, which Spitaels has never done. As long as he has not expressed himself in Parliament, I shall refuse a televised debate.

[Question] And yet, he has just delivered a 45-minute "vote justification" in the Senate.

[Answer] Yes. But it was a matter of the fiscal bill and he knew perfectly well that I would not be present. The following week, I was there because it was a question of the ways and means budget, but he remained silent. That is strange....

Socialists

[Question] You do not believe in an alternative?

[Answer] He is following an extremely cautious political line because he has no real alternative.

[Question] It is therefore still not time for the socialists.

[Answer] No. They wait and see, aware of the fact that the government has to do what it is doing.

[Question] Are they not rather waiting for the government to perish from the inside?

[Answer] The government has just shown that its cohesion is as strong as under the preceding legislature.

[Question] But that one collapsed on the Heysel.

[Answer] It was an unexpected and exceptional event for which we were not responsible, a misfortune with unexpected political aftereffects.

[Question] You therefore believe that the most serious thing that could happen for the government is an unexpected event?

[Answer] In political life, the unexpected can be very important. There is no objective reason, no lack of cohesion or loyalty in the majority that can compromise the life of the government.

[Question] Could that unexpected thing be Jose Happart?

[Answer] It could be any passionate event.

[Question] And Bach was not a passionate musician?

[Answer] Every country has its individual difficulty in being governed. A debate on euthanasia compromised the life of the government of the Netherlands, when that is a homogeneous country, linguistically and culturally speaking. In our country, we have to master our own demons, contribute measure and moderation, be constantly vigilant and cautious. You felt it in my own remarks: In the general interest, I become more conscious of that prime element every day.

[Question] It is that reserve that makes them call you a "cold fish"?

[Answer] Indeed. I am not a cold fish, but I am extremely aware of the need to provide good leadership for the country.

11,464

CSO: 3619/3

POLITICAL

FEDERAL REPUBLIC OF GERMANY

SURVEY SHOWS INCREASED SUPPORT FOR NATO SINCE 1984

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 8 Aug 86 p 4

[Article by fy: "Approval of NATO Alliance Up"]

[Text] Bonn, 7 Aug--NATO's approval rating has "risen appreciably" among the populace of the Federal Republic since the end of 1984. The Konrad Adenauer Foundation's Sociological Research Institute has reached this conclusion. A representative sampling by the Institute of more than 5,000 registered West German voters showed that the number of those who believe NATO ensures peace has risen from 57 percent in the autumn of 1984 to 62 percent this spring. The inquiry also demonstrated, however, that the share of those who believe peace would best be guaranteed by a neutral West Europe without NATO is relatively stable at one-fifth of the electorate. In October/November 1984 it was 20 percent; in April/May of this year it was 19 percent. In addition, another 21 percent (spring 1986) wither did not express an opinion or did not wish to exclude either position for ensuring peace.

A noteworthy aspect of the research results is the fact that the proportion of advocates of a neutralization of West Europe is largest among the youngest group of voters, the 18- to 24-year-olds, and at 31 percent is 18 percentage points higher than that of the voter group over 60 years of age. In the youngest voter group the share of those favoring a neutralization declined only from 32 to 31 percentage points during the period of time under investigation. Even in the next age group, the 25- to 29-year olds, the proportion of neutralists sank from 30 to 28; in the case of the 30- to 44-year-olds, from 22 to 20 percent.

It is also remarkable that the share of advocates of a neutrality policy increases with the level of education. Among those polled who have passed university admission exams or have completed secondary school, the number of neutrality advocates has even risen--from 28 percent in the autumn of 1984 to 31 percent in May of this year. Among those polled who did not complete their educations, on the other hand, the figure declined during this period from 18 to only 14 percent. The proportion of neutrality advocates is highest among the supporters of the Greens. There it grew during the period under investigation from 51 to 57 percent, while it remained constant at 7 percent among supporters of the CDU/CSU. In the FDP it sank from 16 to 9 percent, and in the SPD from 24 to 22 percent. On the other hand 83 percent of CDU/CSU members approve of NATO, as do 55 percent of the SPD, 71 percent of the FDP. and 26 percent of Greens members.

There are also differences in the development of opinion on the subject of NATO between members of the two religious confessions. Of those polled of the Protestant faith, 60 percent presently approve of NATO; of the remainder, half are advocates of neutrality and half are undecided. Among Catholics, however, the number of NATO advocates amounts to 66 percent; only 15 percent favor neutrality. Among those questioned who are not members of a denomination, only 48 percent were for NATO, while 35 percent declared themselves for neutrality.

The increase in NATO supports during the period under investigation was above average in the younger groups. Among the 18- to 24-year-olds, the percentage of supporters rose from 41 to 50 percent; among the 25- to 29-year-olds, from 46 to 54 percent; among those who are between 30 and 44 years old, from 55 to 62 percent. All in all, the investigation suggests that, in its attitude toward NATO, a polarization of public opinion is becoming evident. This has also led to a reduction in the proportion of undecideds, from 21 to 19 percent.

For the upcoming election campaign another finding of the poll might be of value: Guaranteeing the peace has grown considerably in importance for West German citizens. Accordingly, in October 1970, 70 percent of the populace ranked guaranteeing the peace as "very important." By the middle of 1986, 88 percent did so. Thus, for a great majority, this question has the highest priority. To date, West German citizens regarded only the guaranteeing of jobs--which presently at 82 percent has fallen back to second place on the list of issues of public concern--as being of comparable importance. As the poll also showed, guaranteeing peace is almost equally important for supporters of the various parties: 89 percent of CDU/CSU voters, just as 89 percent of the SPD, 92 percent of the Greens, and 85 percent of the FDP regard it as the most important issue.

13238/13045

CSO: 3620/790

POLITICAL

GREECE

COMMENTS ON ND'S MITSOTAKIS, HEIRS APPARENT

Athens TA NEA in Greek 10 Sep 86 p 6

/Article by Vasilis Tzannetakos/

/Text/ It is an indisputable fact that New Democracy is facing a leadership problem despite the fact that "technically-speaking" Mr Mitsotakis appears strong and in control of the situation. However, the latest developments within ND have rightly left the impression that an "heirs apparent race" to Mr K. Mitsotakis has begun and all of his apparent overthrowers seem to be waiting for the proper moment to "strike."

This moment is being timed for after the municipal elections which have already tried ND's unity in many instances since the party leadership has not succeeded in checking personal ambitions or in activating the party organization on behalf of its choices for the elections.

In its first phase the process for undermining Mr Mitsotakis includes regular differences from the official party positions which --according to estimates of those who are leading the dispute in question-- are laying the groundwork for a change in leadership. The latter is being criticized, among other things, for having failed in its "anti-Andreas" role for which it had been elected because, among other things, its presence constitutes a factor hindering the attraction of centrist voters who shape the final electoral results and provide --on behalf of one or the other-- the "critical" difference that assures a self-sustained majority.

If the identification of Mr Mitsotakis' problems is easy the process for resolving them is more difficult since all the "talk" of succession is based on many illusions, at least with the prevailing facts.

This is so because Mr Mitsotakis' big advantage, despite the underminings and disputes, continues to be the split among his intra-party opponents who covet his position. This split, that is basically due to personal ambitions for the succession, permits Mr Mitsotakis to move relatively easily and not to be afraid to the extent that he can check and control developments relating to his overthrow since according to prevailing data there is no single internal "opposition" capable of moving forward and be convincing of its credibility and capabilities.

In ND's case the well-known folk saying "too many cooks spoil the broth" is absolutely confirmed in fact where the broth is the change of leadership in the party and the "cooks" are those who "have designs on" Mr Mitsotakis' position.

At this time there are at least three individuals who are said to be candidate heirs apparent to Mr Mitsotakis: one is Mr Rallis who, however, constitutes a particular case, while the two others are Mr Evert and Mr Varvitsiotis who have almost openly expressed their ambitions and who systematically see to it that they differ from the "official" positions of Mr Mitsotakis and the party organs he controls. In the battle for succession one may also mention the name of Mr Dimas who, of course, has not officially declared himself. He appears "obedient" but this does not mean that he does not consider himself, having meritorious credentials, as a "solution" to the existing leadership problem being confronted by ND.

These three persons (Evert, Varvitsiotis and Dimas) constitute the expression of the new political potential age-wise for ND that aspires to play a leadership role in case circumstances permit Mr Mitsotakis' replacement.

And yet other personalities are moving on the ND behind the scenes front and who have ties to "historic" persons of the party (for example, Mr Rallis) or with persons "of the same age," party-wise, as Mr Mitsotakis (for example, Mr A. Kanellopoulos) who have not hidden their "desire" to play some leadership role if circumstances should favor them.

These personalities, among whom are quite a few deputies, have contacts with ND's "historic leadership" (Papakonstandinou, Averof) which although it does not have personal ambitions as such does have a lot of influence and can influence some developments by throwing its weight on behalf of some who consider themselves obvious "heirs apparent."

However, from the moment when the intra-party opposition to Mr Mitsotakis is split into groups and cliques the position of the present ND leader is said to be strong since there is no unified power capable of garnering the majority of the parliamentary group of the party and influence the "electoral body" that brought in Mr Mitsotakis with the new party statute to make more difficult any process to oust him.

Thus, in the present phase the situation appears to be controlled by Mr Mitsotakis since there is no one opponent confronting him. Of course, this situation may be upset after the municipal elections in case the latter are unfavorable to ND and a united front would have been organized against him, something, however, that presupposes an agreement over the person who would be the new leader. Because at this time the situation reminds one a bit of the question asked in a children's game "why him and not me" where the "him" is one apparent leader and the "me" is the other.....

In certain ND circles that are not on friendly terms with Mr Mitsotakis there is an idea according to which the replacement of the party leader can take place through a "service" individual having common approval who would remain as leader for only a short period of time to permit the achievement of an agreement among the "heirs apparent" for a new "permanent" leader. According to evaluations made, the role of leader could be played by Mr Rallis who, among other things, will ensure that party cadres from "the old guard" will renounce seeking the leadership and this to the benefit of the younger ones.

The founder of the party has constituted the pole of attraction for those dissatisfied with Mr Mitsotakis. He has also become the target of criticism by the ND leader's entourage since he is "criticized" for at least tolerating the different views put out by Mr Evert and Mr Varvitsiotis who are considered as his "influences" from the past.

The "distance" kept by Mr Averof in connection with the support of Mr Mitsotakis is attributed indirectly to the founder of the party whom certain sources say --despite denials-- that he wants to play a role in the shaping of a new political scenario on a governmental level to which Mr Mitsotakis has every reason to oppose because he realizes that with any such developments he will definitely lose "the train of power and authority" to the benefit of his intra-party contestants. The latter have begun to differ with Mr Mitsotakis over serious matters, such as the simple proportional electoral system (Evert) and a "government of cooperation" (Varvitsiotis).

Nevertheless, what is being looked for in this particular instance is to what extent the positions of these cadres constitute their own personal opinions or conceal some other intentions that will show up in the future and will have a connection with the manner in which Greece will be governed once certain matters and issues in abeyance dealing with foreign policy are resolved beforehand by the present government. To the extent that the first version prevails (personal opinions) then matters for Mr Mitsotakis are rather satisfactory. If, however, there are really other intentions then matters become more difficult since mechanisms will be set in motion --even perhaps from the other side of the Atlantic-- that will be capable of influencing intra-party developments in the desired direction (overthrow of Mitsotakis or even going as far as the breakup of ND).

It does not appear that Mr Mitsotakis is afraid of this since he has made a clear allusion to "other centrists" who want to shape ND's policy.

However, if there is a basis to these other intentions then the future of not only Mr Mitsotakis but of ND as a united party format is gloomy if one were to judge that the presence of Mr Mitsotakis constitutes a hindrance for the promotion of "realistic" solutions to the political problems of the land.

And in such a situation an oxymoron phenomenon will appear where Mr Mitsotakis will be waging a battle against the "apostates" and "foreign interventions" and will be waging "the battle of independence" some 20 or more years from when he should have done so. But at that time he chose the role of "perpetrator" of the same methods.

5671

CSO: 3521/2

POLITICAL

GREECE

KKE MUSICIAN/DEPUTY REPORTS ON ALBANIAN VISIT

Athens TA NEA in Greek 8 Sep 86 p 19

/Article by L. Papadopoulos/

/Excerpts/ It was months since I had last seen him --over 6 months-- and I was eager to see him again. So, when a common friend, Sakis Todoulós, informed me on Saturday morning that "Mikis returned from Albania last night, is leaving Thursday for Turkey, will then travel to Europe and from there to Australia from which he will return at Christmas," I hastened to give him a phone call to get to see him. Mikis Theodorakis told me, "Grab a cab and come on over." In half an hour I was at his house.

"So? The "Roads of the Archangel" (note: this is the title of the book containing his memoirs) will include your impressions of Albania?"

"Of course. You know, I visited Albania with a delay of several decades. I wanted to visit there from way back because I have great love for the Albanian people who had stood with incomparable self-sacrifice at our side from the time of the Greek-Albanian war."

"Who invited you to Albania?"

"The Albanian Government. For exactly that reason I met with the president of the country and with the secretary of the Labor Party, Ramiz Alia. Our meeting lasted 1-1/2 hours. It took place in a cordial atmosphere and whatever we talked about was important, at least as far as I am concerned."

"What did you talk about?"

"We talked about relations between the Greek and Albanian people. The Albanians love us, they think highly of us and they want our friendship and our cooperation in all fields of endeavor."

"The Albanian president talked to me very positively about the Papandreou government and expressed the hope that the policy of friendship and cooperation inaugurated at the time of the Papoulias visit would be continued. He also rereferred to the Greek minority and to the fact that the Greeks of Albania have acquired the same rights as Albanian citizens. He also spoke of the spectacular development --always in

comparison to the past--of his country. An example: 40 years ago the Albanian people were 99 percent illiterate. Today, there is not even one Albanian who does not know how to read! The eight-grade secondary school is obligatory and thousands of scientists, technicians and specialized craftsmen graduate each year from universities, institutes and technical schools. Of course, he also mentioned the most important of all: to the fact that all of this is being done by the Albanians all by themselves. The country's constitution includes two important articles. The first prohibits foreign bases. The second prohibits loans from foreigners. Therefore, this small country is perhaps the only one in the world that has no kind of dependence, commitment or debt."

"What are its relations with other countries?"

"It has diplomatic relations with 102 countries. And trade relations with others. The only thing is that it gets only for what it pays."

"And that amounts to what?"

"Ramiz Alia told me: 'We don't eat with gold spoons. And yet there is food, clothing, housing, work, culture and education for all. We know what we need. And we manage to put a little aside. Just like good housewives.' The minister of culture and education, who has wanted very much to meet Melina Merkouri, told me that the state provides education, culture and health with 38 percent of the annual budget."

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CSO: 3521/2

POLITICAL

GREECE

'PLETHORA' OF PRO-SOVIET PRESS ARTICLES

Athens EMBISTEVTIKO GRAMMA in Greek 10 Sep 86 p 7

Passages enclosed in slantlines are underlined in original text

Text Foreign journalistic circles in Greece //are surprised// over the //plethora// of pro-Soviet articles appearing in the Greek self-proclaimed progressive press. It is characteristic that last week the pro-government newspapers TA NEA, ELEVETHEROTYPIA, PROTI and ETHNOS --as we have gauged-- devoted a total of 28 pages to the presentation of //pro-Soviet articles//, with the most impressive being ELEVETHEROTYPIA which had 10 of the above-mentioned pages. More specifically, the Monday, 1 September. issue of ELEVETHEROTYPIA //had devoted// five pages to pro-Soviet articles two of which related to the Chernobyl nuclear accident. Within the context of the reportage the only thing the newspaper's "correspondent" //omitted// in his description was to persuade his readers that from now on they should go on vacation right next to the nuclear plant itself. Moreover, the USSR was greatly promoted through the //sports pages// of the Greek press which lavished more praise on it than even the official Western European communist party press such as the French L'HUMANITE or the Italian L'UNITA. As //West European observers// pointed out to us, the pro-Soviet position of the self-proclaimed progressive press constitutes a //unique// phenomenon in West Europe. It surely must have some broader meaning: diplomatic and geopolitical.

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CSO: 3521/2

POLITICAL

GREECE

BRIEFS

PROBLEMS REPORTED IN EYP--Problems are multiplying in the former KYP [Central Intelligence Service], because of the fact that the subject of establishing the organization chart has remained stagnant. The committee that had been set up to that effect is not "producing producing," and it seems that part of the responsibility must be attributed to Makedos... The cooperation between Makedos and Drosogiannis is "admirable," to the point that the former's relations with the Security Service is encountering problems. It is said, specifically, that Makedos passes on the information first to Drosogiannis, and Security, as a result, comes second and "perspired." No one should think, moreover, that the older problems (under Alexakis) in the relations between the KYP and Security have been overcome. They still exist. However, they are kept below the surface... The former secretary general of the Ministry of Public Order, K. Tsimas, is assuming his duties at the EYP [National Intelligence Service] as deputy chief of operations next Monday. The decision about his appointment has been signed. It remains to be seen how his cooperation with Drosogiannis will go!... [Text] [Athens PONDIKI in Greek 12 Sep 86 p 5] /9599

PAPANDREOU SUCCESSION PLANS--Prime Minister Papandreou is seriously considering future political developments and information we have obtained says that he is concerned about the presidency of the republic, even if this subject will only be dealt with in March 1990. According to our information, the prime minister, who will be 72 in 1990, wishes even now to prepare his succession in the PASOK, which, however, he views only in connection with his son G. Papandreou and his immediate family environment. Within this context, a special work group consisting of the prime minister's advisors and young scientists friendly to Giorgos Papandreou is preparing a multi-sided study of prospects in order to investigate and identify the tendencies that will be prevalent in the decade of the nineties. These data will be the basis for the various scenarios for Giorgos Papandreou's ascension to power and also to the leadership of the PASOK. According to our information, U.S. "shapers of public opinion" will also participate in this undertaking when it will be judged "essential," and preliminary contacts have already taken place. It seems that Mr Papandreou believes that under present political and economic circumstances, the PASOK is able to show itself the strongest party in the next legislative elections, even without an absolute parliamentary majority. This is why a special work group will soon be formed to study the probable system to be used in the next elections. [Text] [Athens EMBISTEVTIKO GRAMMA in Greek 18 Sep 86 p 3] /9599

GOVERNMENT MEMBER AGAINST PASOK--Kerkyra--Minister of Education A. Tritsis, speaking at the Kerkyra PASOK youth festival, very severely criticized the PASOK party organs encompassing the public services and organizations. Tritsis stressed that the slow production rate of the public services and organizations is owing to the laziness and inability of the party organs encompassing them. As evidence, he reported that in "Olympic Airlines"--for every one of its aircraft there are 417 employees, versus 60 under ND, as he maintained--the rates of progress are not at all satisfactory, precisely because the throngs appointed under PASOK are unwilling to work.... [Text] [Athens I KATHIMERINI in Greek 9 Sep 86 p 1] 9247

CSO: 3521/249

POLITICAL

ITALY

DC-PCI ALLIANCES INCREASING IN LOCAL GOVERNMENTS

Rome LA REPUBBLICA in Italian 10-11 Aug 86 p 3

[Article by Miriam Mafai: "DC-PCI, in the Provinces Things are Going According to Fashion; Historic Compromise in More than 400 Communes"]

[Text] More than 1.7 million citizens are governed by administrations of this type. The signs of crises, breaks, and rethinking are coming primarily from the five-party set-up. Uncertainties of the PRI and PSDI.

Rome--"At the same time that the confidence vote for the second five-party government headed by Craxi was being given, a DC-PCI-PRI-PSDI alliance was being elected at Massa Carrara. It is a big mess." That is how Valdo Spini and Silvano Labriola, deputies of the district, yesterday described the outcome of the crisis in Massa Carrara commune. On the other hand, the Republicans seem rather satisfied with it: to celebrate the event, Spadolini himself will be participating next Saturday at Massa in the "Feast of the Edera." Of a different stamp is the Frosinone alliance, in which the Communists are participating in an alliance of "public health," with membership of all the parties with exclusion of the MSI.

The two situations, Massa and Frosinone, are thus not reducible to a single pattern of analysis and evaluation, but are the sign of a diversification in the formulas of local government that tends to go beyond traditional alignments: either alliances of the left or five-party.

In reality, it is primarily from the five-party set-up (often pushed to the sideline in the past year because of national decisions) that there come signs of crises, breaks, and rethinking.

In this process of reexamination of the formula, it is often Republicans and Social Democrats who are proposing new alliances. On the other hand, particularly in Emilia, there is evidence of the effort by the PCI to emerge from the isolation of the "monocolor" (to which it is compelled by the Socialist rejection). And also in this case, as already happened at Bologna, the PRI has played a by no means secondary role.

At the national level, the Socialists are watching this movement situation with concern to the extent that it manifests itself as an autonomous, local

phenomenon, governed by needs and problems of individual localities, and not reducible to national directives and formulas. Thus, while Spini and Labriola are inviting the leading bodies of the PRI and PSDI to get involved against the Social Democrats and Republicans of Massa, the PSI's deputy in charge for local authorities, Arturo Bianco, is condemning the "Frosinone event," where the PCI is becoming involved to join a program alliance of which the PSI itself is a member. "Alliances in which the DC and PCI are simultaneously present are spreading like a drop of oil: there are already 405 communes, 121 of them with more than 5,000 people, for a total of 1,754,688 people," said Bianco. "They arise from a distinct and marked anti-Socialist tone."

"No anti-Socialist tendency as far as we are concerned," replied Gianni Pellicani, in charge of the local authorities section of the PCI. "Our main policy is and remains search for a positive relationship on the left. Also at Massa, the process of broadening the alliance was undertaken in agreement with the Socialists; it is not our fault if the PSI later drew back. At Imperia it was we who offered the PSI a leading role in rediscussion of the program and formula. We made the same proposal at Naples. Yet it appears to me that the Socialist comrades are not always and everywhere seizing the potential offered by these processes that emerge from actual conditions of emergency on the local level."

Pellicani, who was also deputy mayor of Venice for 5 years, is convinced that the five-party set-up is experiencing a crisis at the local level, and that the search for new government formulas should be very free, always starting from the problems of the individual cities. The case of Naples (but also really of Genoa, or Venice itself, or even Rome) is an example of this point. If you give preference to formula you will necessarily remain bogged down in repeated situations of difficulty or crisis, or at least low profile management of the daily problems themselves.

"You need to start with the programs," insists Pellicani, "and experience teaches me that with programs at a certain point you succeed in reaching agreement. Things went this way also at Naples, where the emergency was dramatic. The red signal regarding an agreed solution for a program alliance was raised for motives that had nothing to do with the problems of the cities."

The formulas, when you start from programs, can be very different, and there is absolutely no reason to be shocked if in some cases--more or less frequent--the agreement is reached also with the DC. The Communists think: less than ever should the Socialists be shocked that they are participating with the DC in the national government. "In this sense, the PSI's argument appears to me to be making excuses," said Pellicani. "Let us talk about things: the emergency exists, it is not our invention. And we are not limiting ourselves in a formula debate, one of mutual prejudices."

9920

CSO: 3528/011

POLITICAL

ITALY

PCI, DC CLASH WITH PSI ON REORGANIZING AERONAUTICAL INDUSTRY

Milan IL GIORNALE in Italian 1 Aug 86 p 11

[Article by M.D.F.: "DC-PCI Dangerous Games; Aeronautical Pole Stationary"]

[Text] Communist Motion Increases the Confusion. Meanwhile, Pomicino Issues Call Also to Craxi.

Rome--The "aeronautical pole," at least for now, will not come about. This is the only almost sure element in a startling and extremely nebulous situation. The final touch in confusing the situation was introduced by the Communists: they presented a motion calling for the merging, within a specialized holding company (the "pole") to be entrusted to IRI, of the Aeritalia and Agusta groups.

This initiative leads to two conclusions: one correct and the other erroneous. It is correct that the Communists have come to the aid of the Christian Democrats in the intention of creating difficulties for the Socialists, quite aside from being enthusiastic about entrusting the aerospace monopoly to the IRI. On the other hand, it is wrong to conclude that the Communist initiative provides a remedy for purposes of procedural brevity: the Communists, with a genuine "flash of genius," have helped the Christian Democrats, but in the ... wrong chamber. The "aeronautical pole" is in fact under discussion in the budget, defense and industry committees in the Chamber; the Communist motion was instead presented in the Senate. Hence, for several months it will not help anything or anyone.

In the meanwhile, the chairman of the Chamber budget committee, carrying out what had been previously announced, has called the premiership office for a hearing on the aerospace sector. By this means the members will learn (but when?) the government thinking, the thoughts expressed by Minister of Industry Altissimo and Minister of State Participations Darida having turned out to be "not plausible" and noncommitting.

Prime Minister Cirino Pomicino, despite the startling rift between the pro-IRI Christian Democrats and the anti-IRI Socialists, remains optimistic: he predicts "conclusive documents" within a very short time, and soon thereafter a "committing resolution" for the government.

The situation does not appear to support Cirino Pomicino's optimism, because the emergence of dissent coincides with the formation of the new government: it is not thinkable that the "aeronautical pole" can be solved prior to the parliamentary debate on confidence in the new government. Furthermore, it is obvious that after that debate Parliament will go on vacation and will not discuss the "pole."

In this context, neither the statements by Socialist Deputy Tempestini nor those by the imminent leadership of the Social Democratic Party appear to contribute to a solution. The former supports the cabinet and affirms that the letter sent by Under Secretary Amato to the Chamber committees--in which it is maintained that Darida and Altissimo had spoken in personal capacity, not representing the government--was not sent in order to prevent votes that would promote success of the supporters of the "IRI solution." The latter--the leadership of the PSDI--will devote a session to the issue to decide on its own approach.

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CSO:3528/011

POLITICAL

PORTUGAL

POLL MEASURES POLITICIANS' POPULARITY

Lisbon SEMANARIO in Portuguese 30 Aug 86 pp 3-5

[Article by Margarida Viegas; first paragraph is SEMANARIO introduction]

[Text] Cavaco reminds one of those films full of Oscar winners whose actual qualities as good actors are not really known. At the same time, public opinion appreciates the warm geniality of Soares, is not impressed by Constancio, and mercilessly flogs Adriano.

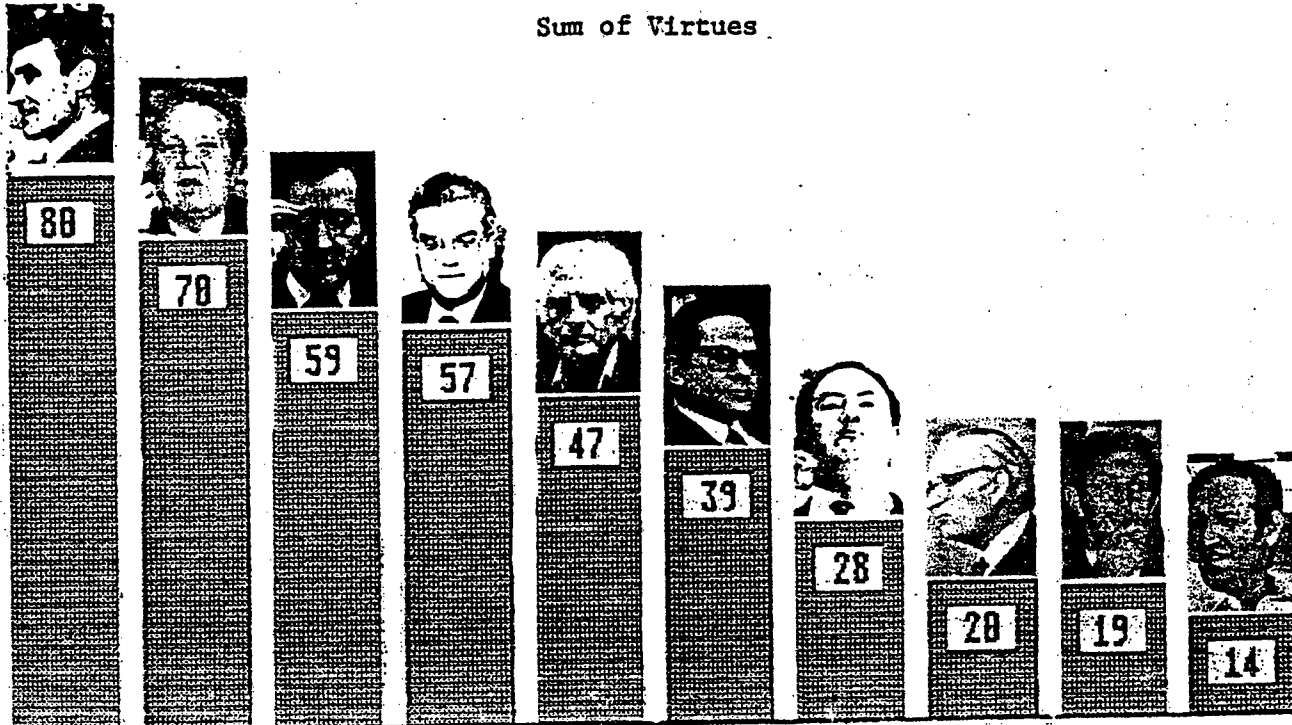
A simple glance at the graph below shows us Cavaco as a political giant. The scores were obtained as follows: the respondents in the poll were asked to say which of our 10 most important figures (Soares, Cavaco, the leaders of the main parties, the regional chairmen, Freitas, and Eanes) they considered most endowed with a particular quality (from a list of 10). Then a value of 10 was assigned to each first place, 9 to each second place, and so on down the list. Naturally, unlikableness was ignored.

Cavaco comes across as being tops from almost every point of view. He is surpassed only by Soares in skill and likableness, by Freitas in intelligence, and by Cunhal in unlikableness--although unlikableness is not generally considered a great virtue in politics or anything else. We definitely have a superstar prime minister: the most efficient, the most hardworking, the most sincere, the most honest, the one with the greatest future--and even the best looking. God outdid Himself with all that prodigality.

But could the star be fading? The fact is that after 10 months of the privilege of being governed by that well of virtues, the country is showing singular ingratitude by saying--by a convincing majority of 40.4 percent--that the man who did it the most good was Sa Carneiro: the man whom it rewarded--after he, too, had been in power for 10 months--by increasing his majority.

Skeptics will call this a new attack by the nostalgic myth which not even the brilliant performance by his "heir" Cavaco can restrain in the Great Beyond. But that explanation does not work because the verdict of the poll is that after Sa Carneiro, although following him at a respectful distance, the national good fairies are Eanes (17.9 percent) and Soares (17.5 percent)--and both are alive and well. In fourth place, and with Cunhal right behind him,

Sum of Virtues



is Cavaco, who represents salvation only in the eyes of 4.6 percent. He came, he saw, he conquered—but he does not seem to be convincing people.

What is worse, there are even more people who, on the contrary, regard our gifted ruler as the main cause of our troubles (6.6 percent), although Cunhal is king of the mountain in that particular respect—he is as outstandingly detrimental as Sa Carneiro was beneficial. He is accused by 38.9 percent of having harmed Portugal like no one else. Strangely, and despite the CP's strength, only 1 percent assign the role of chief bogeyman to Sa Carneiro (the percentage in Evora climbs to a still moderate 11.3 percent). At 1.6 percent, not even Eanes, an aloof figure, gets a lower score. Soares' long career places him at the meeting point of two contradictory opinions: there are almost as many people regarding him as the good angel (16.5 percent) as there are who see him as the bad angel (17.5 percent) in the system.

On the other hand, Freitas and Eanes, linked in different stages of grace--one because he has never been Number 1 in power and the other because he has always tried to conceal the fact that he was--stand out in this poll as the nation's great standbys. At the other extreme, Adriano is confirmed to be a lost cause, and Constancio checks out as an unfortunate choice with unfortunate qualities.

Who Has Benefited Portugal Most?		Who Has Harmed Portugal Most?	
Name	Percentage	Name	Percentage
Sa Carneiro	40.4	Cunhal	38.9
Eanes	17.9	Soares	16.5
Soares	17.5	Cavaco	6.6
Cavaco	4.6	Eanes	1.6
Cunhal	3.6	Sa Carneiro	1.0
No one	7.6	No one	13.2
Don't know	8.4	Don't know	22.3

Perhaps it would have been advisable to find out first what the Portuguese want most from their leaders: if we remember correctly, the answer according to an old poll is efficiency and honesty. And in that area, Cavaco is dethroned by no one. But with that matter behind us, let us continue looking at NORMA's catalogue of merits one by one. The reader must judge, but let him be prepared now for such thrills as that of discovering that Adriano is considered less intelligent than Eanes and that Martinho, the very image of ethical behavior, is regarded as the least honest and least sincere of the whole lot. For that matter, the centrist professor with his lengthy background and the man from Ribatejo awakened by Eanes are competing furiously with Mota Amaral and Jardim (who perhaps are penalized by the fact that the poll was confined strictly to the mainland) for last place in all categories of excellence.

NORMA began with the question of beauty. People say that beauty is not essential for happiness or, even less, for engaging in politics, but let us also consider that aspect.

Here what used to be called the Right is ahead. After Cavaco (22.4 percent), who is four times more attractive than Constancio (5.6 percent), it is Freitas who has the most captivating physique--thanks to the particular sensibilities of the ladies, since the gentlemen do not see themselves along those lines. Moreover, as is going to be repeated frequently in this poll, whereas Cavaco democratically arouses the admiration of all social classes, the veneration accorded the attributes of his former presidential candidate declines along with social status--the poor do not think Freitas is handsome.

Soares appears handsome in the eyes of Vila Real, which incidentally tends to venerate him from every point of view--in contrast to Lisbon's eternal and still unvanquished resistance. For his part, the austere Mota Amaral probably does not mind being regarded as "militantly" ugly, since he is in the good company of Jardim, Adriano, and Martinho. In any case, at any spot on the scale below the still attractive Eanes (12 percent), attractiveness becomes irrelevant.

Which politician is most.....?

	Intelli- gent		Efficient		Skillful		Unlikable Hard- working		Sincere		With the best future	
	Attractive	Honest	Likable	Likable	Skillful	Skillful	Unlikable	Hard- working	Sincere	Sincere	With the best future	With the best future
1	Cavaco 22.4%	Cavaco 21.8%	Freitas 24%	Soares 22.5%	Cavaco 34.7%	Soares 29.3%	Cunhal 36.5%	Cavaco 30.3%	Cavaco 23.6%	Cavaco 26.1%	Cavaco 26.1%	Cavaco 26.1%
2	Freitas 15.4%	Eanes 21.1%	Cavaco 19.8%	Cavaco 21.8%	Soares 11.6%	Cavaco 18.5%	Freitas 17.1%	Soares 12.1%	Soares 15.7%	Eanes 15.9%	Soares 15.9%	Soares 15.9%
3	Soares 12.3%	Freitas 9.8%	Soares 17.1%	Freitas 19.3%	Eanes 6.8%	Cunhal 12.9%	Eanes 6.4%	Cunhal 12.1%	Cunhal 8.9%	Cunhal 8.9%	Constância 12.1%	Constância 12.1%
4	Eanes 12%	Soares 9.6%	Cunhal 8.9%	Eanes 8.6%	Cunhal 6.8%	Eanes 6.0%	Cavaco 4.7%	Eanes 6.2%	Freitas 7.6%	Freitas 6.9%	Eanes 6.9%	Eanes 6.9%
5	Constância 5.6%	Cunhal 6.1%	Eanes 8%	Jardim 5.5%	Freitas 5.2%	Freitas 5.3%	Soares 4.6%	Freitas 4.7%	Soares 7.3%	Freitas 5.8%	Freitas 5.8%	Freitas 5.8%
6	Cunhal 3.7%	M.Amaral 3.3%	Constância 4.8%	Cunhal 2.6%	Constância 4.8%	Constância 2.8%	Constância 4.1%	Jardim 3.2%	Jardim 3.5%	Jardim 3.5%	M.Amaral 2.1%	M.Amaral 2.1%
7	Martinho 1.8%	Constância 3.2%	Adriano 2.1%	Constância 2.1%	Jardim 2.8%	Jardim 2.0%	Jardim 3.9%	Constância 2.6%	M.Amaral 1.9%	Adriano 1.4%	Adriano 1.4%	Adriano 1.4%
8	Adriano 0.7%	Jardim 1.8%	Jardim 0.9%	Amaral 1.5%	Adriano 1.4%	Adriano 1.1%	Adriano 3.4%	M.Amaral 2.3%	Constância 1.5%	Cunhal 1.0%	Cunhal 1.0%	Cunhal 1.0%
9	Jardim 0.4%	Adriano 0.5%	M.Amaral 1.0%	Martinho 1.0%	M.Amaral 1.3%	Martinho 0.5%	Martinho 2.0%	Martinho 0.3%	Adriano 0.9%	Martinho 0.7%	Martinho 0.7%	Martinho 0.7%
10	M.Amaral 0.2%	Martinho 0.3%	Martinho 0.4%	Adriano 0.4%	Martinho 0.7%	M.Amaral 0.1%	M.Amaral 0.5%	Adriano -0.0%	Martinho 0.3%	Jardim 0.0%	Jardim 0.0%	Jardim 0.0%

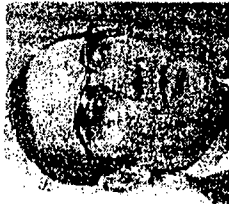
The Five Most Talked About



Cavaco Silva



Mario Soares



Ramalho Eanes



Freitas do Amaral



Vitor Constâncio

1	Efficient	34.7%	Skillful	29.3%	Honest	21.1%	Intelligent	24.0%	With a future	12.1%
2	Hardworking	30.3%	Likable	22.5%	Sincere	15.7%	Likable	19.3%	Attractive	5.6%
3	With a future	26.8%	Intelligent	17.1%	Attractive	12.8%	Attractive	15.4%	Intelligent	4.8%
4	Sincere	23.6%	With a future	15.9%	Likable	8.6%	Honest	9.8%	Efficient	4.8%
5	Attractive	22.4%	Attractive	12.3%	Intelligent	8.0%	Sincere	7.6%	Honest	3.2%
6	Honest	21.8%	Hardworking	12.1%	With a future	6.9%	With a future	5.8%	Skillful	2.9%
7	Likable	21.8%	Efficient	11.6%	Efficient	6.8%	Skillful	5.3%	Hardworking	2.6%
8	Intelligent	19.8%	Honest	9.6%	Hardworking	6.2%	Efficient	5.2%	Likable	2.1%
9	Skillful	18.5%	Sincere	7.3%	Skillful	6.0%	Hardworking	4.7%	Sincere	1.5%
10	Unlikable	4.0%	Unlikable	4.6%	Unlikable	6.4%	Unlikable	17.1%	Unlikable	4.1%

Monopoly on Ethical Behavior

As far as honesty is concerned, we have said all there is to say: this is a territory monopolized, in the opinion of our contemporaries, by Cavaco (21.8 percent) and Eanes (21.1 percent). Several steps below them, Soares and Freitas are also almost equal (9.6 and 9.8 percent respectively), with Soares appearing very serious to the poor and Freitas looking that way to the rich. This is where Mota Amaral wins his most impressive victory: 3.3 percent of the population confers the title of supremely unspotted one on him, after which he disappears into the bottom lines in the poll. Constancio inspires an unusual amount of reserve: he is regarded as three times less honest than his predecessor Soares. We have already mentioned Martinho's surprising fate (last on the list). Adriano is next to last, thanks in particular to the highest social class's poor opinion of him--reflecting, in this as in other areas, a pathetic clash with his "natural" constituency.

For his part, Freitas impresses with his intellect: this is the only area in which he manages to beat (with 24 percent) the enlightened Cavaco himself (19.8 percent) and to subdue even the underprivileged (who are strangely insensitive to the prime minister's gray matter). Incidentally, those two, along with Soares (17.1 percent), practically exhaust the store of national intelligence, with which Cunhal and Eanes are much less well supplied (at around 8 percent) and of which Constancio appears to be painfully deprived (his genius flickers at 4.8 percent). Least endowed, in the general view, is Martinho, who steadfastly brings up the rear.

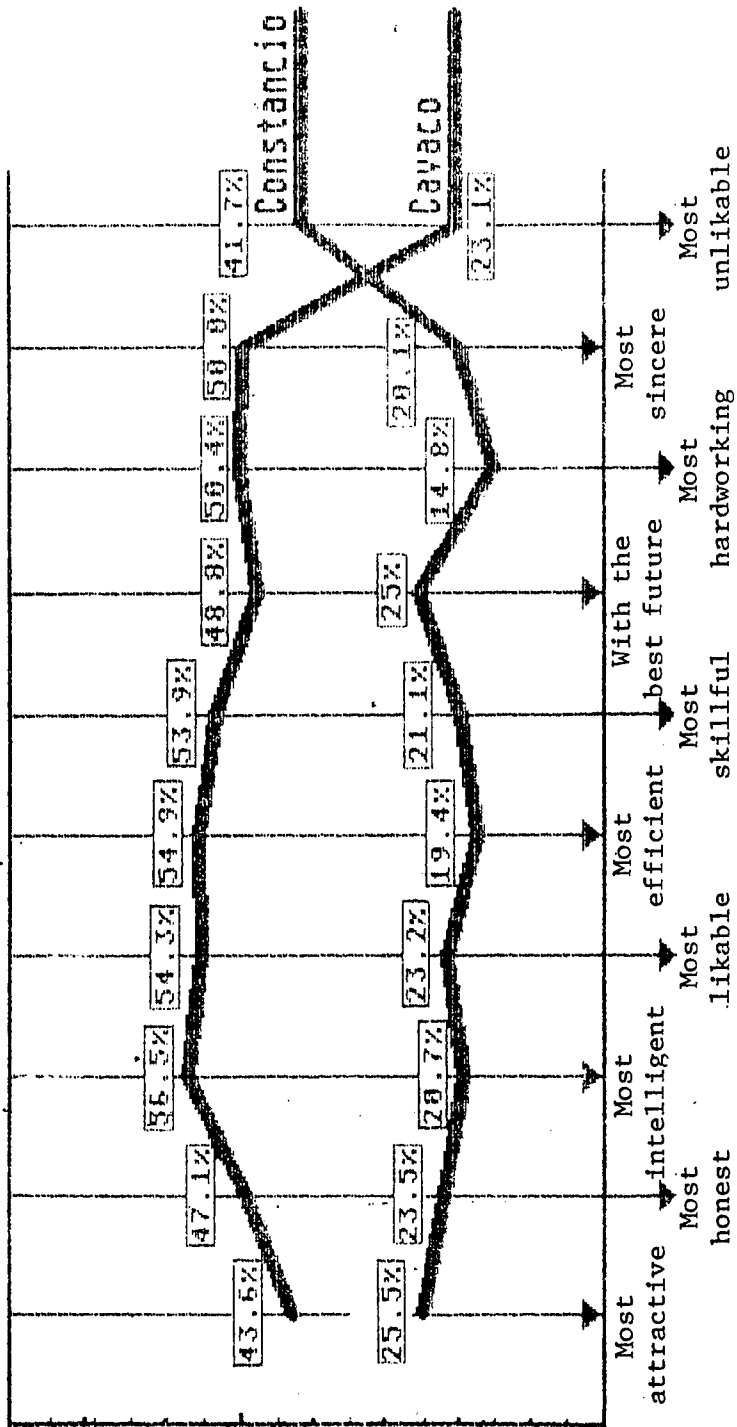
The poll then drops from those cerebral heights to the fluid infinity of likableness and unlikableness. It is not amazing that no one beats good old Soares in this area, which is his specialty: he gets the orange prize for being the most likable at 22.5 percent. It will probably surprise some people to find that despite the conspicuous antipathy displayed by the poor, Cavaco is very close behind him (21.8 percent) in the matter of human contact--or perhaps it won't. Despite the fact that Eanes symbolizes likableness to the stepsons of fortune, his wooden face does not convince more than 8 percent of them as a whole. For his part, the effusive Alberto Joao picks up his most impressive laurels in this area, where he scores 5.5 percent and occupies fifth place, a spot in which we will not see him again. Meanwhile, in the race for the bottom of the list, Adriano triumphs once again as the least likable politician.

But since this world is not colored in black and white, the man picked as most unlikable is Cunhal (36.5 percent), followed at a distance by Freitas (17.1 percent). Considering the peculiarities of human nature, this may help explain the latter's defeat in the presidential election. What cannot be understood is how the smiling Martinho manages to arouse the supreme antipathy of 2 percent.

Soares Skillful, Cavaco Efficient

On the strength of his political skill, Soares once again enters the winner's circle (29.3 percent), thus dethroning Cavaco (18.5 percent) for the second

Cavaco and Constanancio: One on One



and last time, although Cavaco is more skillful in the opinion of Coimbra and Viseu. Cunhal (12.9 percent) has also gained a reputation (he frightens Porto in particular), but compared to those three craftsmen, the remaining leaders, including Eanes, Freitas, and Constancio, are viewed as being more or less greenhorns--the only remaining question being whether that is a virtue or a fault. Martinho and Mota Amaral, followed closely by Adriano, share an image of awkwardness.

Oh, sacred efficiency!--who would deny that Cavaco, who prefers actions to words, has it? With 34.7 percent on his side, he leaves few crumbs for the competition. What is comical is to find Soares, who does not read dossiers, in second place (11.6 percent)--although a considerable gap separates him from the agile prime minister. It turns out that Constancio, the great hope, is surpassed by Eanes, Cunhal, and Freitas, who are not so efficient themselves. And again an obstinate public opinion is consigning Martinho to the farthest corners of supreme incompetence.

The pattern repeats itself almost exactly when the question of devotion to work is brought up. When it comes to daily toil, we again find the exemplary

Men's and Women's Opinions				
		Men	Women	
Attractive	Most	Cavaco ...19.4%	Cavaco ...24.8%	
	Least	M. Amaral....—	Adriano.....0%	
Honest	Most	Cavaco ...24.4%	Eanes21.8%	
	Least	Adriano0.1%	Martinho...0.1%	
Intelli- gent	Most	Freitas.....29%	Cavaco ...21.8%	
	Least	Martinho—	Martinho—	
Likable	Most	Soares22.7%	Cavaco ...24.6%	
	Least	Adriano0.0%	Constância.0.2%	
Efficient	Most	Cavaco ...40.4%	Cavaco30%	
	Least	Martinho...0.6%	Adriano— M. Amaral	
Skillful	Most	Soares37.3%	Soares22.6%	
	Least	Martinho...0.1%	M. Amaral...0%	
Unlikable	Most	Cunhal....34.7%	Cunhal....38.1%	
	Least	M. Amaral 1.1%	M. Amaral 0.1%	
Hard- working	Most	Cavaco ...35.7%	Cavaco ...25.8%	
	Least	Adriano0%	Martinho0%	
Sincere	Most	Cavaco ...22.6%	Cavaco ...24.1%	
	Least	Constância 0%	Martinho ... 0%	
With a future	Most	Cavaco ...27.2%	Cavaco ...24.9%	
	Least	Jardim0%	Jardim0%	

prime minister in first place (30.3 percent), followed this time by those veteran leaders of the Left, Soares and Cunhal, who are almost neck to neck with 12.1 percent each. Not even the achiever Eanes (6.2 percent) is able to impress our hardworking people to that extent. Then we see the remaining suspected lazybones all lined up, drooping shoulder to drooping shoulder, until we come to the end and find Adriano completely discredited as an active member of the working class.

In the matter of sincerity as of honesty, Cavaco and Eanes (23.6 and 15.7 percent respectively) share almost the entire deck of cards between themselves: right-minded people think alike. Only Vila Real prefers, once again, to place its complete confidence in Soares. He speaks from the heart to minorities similar to those supporting Cunhal and Freitas (between 7 and 9 percent). The misunderstood Constancio does not even achieve that, since only 1.5 percent believe in his sincerity. Despite the customary disdain in which Adriano is held by the upper class, which for whatever reason regards him as the least trustworthy on the list, Martinho again takes firm possession of the last line, thus appearing—he who has tried so hard—as the chief hypocrite.

What about the future? It belongs to Cavaco (26 percent), to Soares (15.9 percent), and to Constancio (12.1 percent)—who at the moment seems to be

From the Socioeconomic Standpoint				
		Upper and upper middle class	Middle class	Lower class
Attractive	Most	Cavaco ... 22.3%	Cavaco ... 22.3%	Cavaco ... 25.9%
	Least	M. Amaral ... —	Adriano ... 0.0%	Various (tied)
Honest	Most	Cavaco ... 22.7%	Cavaco ... 21.5%	Soares ... 26%
	Least	Adriano ... 0.0%	Martinho ... 0.1% M. Amaral	Various
Intelligent	Most	Freitas ... 27.7%	Freitas ... 22.1%	Soares ... 28.9%
	Least	Martinho ... —	Martinho ... —	Various
Likable	Most	Soares ... 38.5%	Cavaco ... 25.1%	Eanes ... 24.1%
	Least	Adriano ... —	Adriano ... —	Various
Efficient	Most	Cavaco ... 50.8%	Cavaco ... 27.7%	Soares ... 19.4%
	Least	Adriano ... 0.0%	Martinho ... 1%	Various
Skillful	Most	Soares ... 33.8%	Soares ... 27.2%	Soares ... 28.7%
	Least	Adriano ... 0.0% M. Amaral	M. Amaral 0.1%	Various
Unlikable	Most	Cunhal ... 40%	Cunhal ... 35.5%	Cavaco ... 21%
	Least	Soares ... 0.1%	M. Amaral 0.3%	Various
Hard-working	Most	Cavaco ... 33.5%	Cavaco ... 29.1%	Soares ... 24.1%
	Least	Adriano ... 0%	Martinho ... —	Various
Sincere	Most	Cavaco ... 27.3%	Cavaco ... 21.9%	Cavaco ... 21.8%
	Least	Adriano ... 0%	Martinho ... —	Various
With a future	Most	Cavaco ... 28.7%	Cavaco ... 24.9%	Cavaco ... 19.9%
	Least	Adriano ... 0% Martim	Martim ... 0%	Various

carrying little else in his baggage. On the question of the nation's standbys—Freitas and Eanes—expectations are uncertain, with timid bets being made by between 6 and 7 percent. Probably as a result of the intensity of his present, it is Jardim, however, who is being abandoned most quickly by that future—0.0 percent see a future for him. Cunhal, who has a good overall image, unquestionably stumbles here. Either because of his age or because of his rigidity, few people foresee a future for him. Adriano is not very well provided for, and Martinho is even worse off. The political survival of any of them would astonish people.

Portraits

The profiles therefore shape up as follows.

Cavaco the giant excels in the basic virtues which families used to demand of prospective sons-in-law: capability, application to honest work, and a future. And he is handsome besides. Despite his charisma, he is held in esteem more for the solid confidence he inspires than for being an overpowering genius. Women and young people like him—a good sign. He reconciles social classes. In flagrant contradiction with that, he is not admired for his results.

		Generation Gap	
		18-44	Over 45
Attractive	Most	Cavaco... 18.6%	Cavaco... 25.9%
	Least	M. Amaral... —	Adriano... 0.0%
Honest	Most	Eanes... 22.3%	Cavaco... 22.6%
	Least	Martinho... 0.1%	Martinho... 0.4%
			Adriano
Intelligent	Most	Freitas... 23.9%	Freitas... 24%
	Least	Martinho... —	Martinho... —
			M. Amaral
Likable	Most	Soares... 25.7%	Soares... 19.5%
	Least	Martinho... 0.4%	Adriano... —
Efficient	Most	Cavaco... 37.5%	Cavaco... 32.1%
	Least	Adriano... 0%	Martinho... 0.2%
Skillful	Most	Soares... 32%	Soares... 26.7%
	Least	M. Amaral... 0%	Martinho... —
Unlikable	Most	Cunhal... 38.1%	Cunhal... 35%
	Least	M. Amaral... 0.1%	Martinho... 0.1%
Hardworking	Most	Cavaco... 29.1%	Cavaco... 31.4%
	Least	Adriano... 0.1%	Adriano... 0%
Sincere	Most	Cavaco... 21%	Cavaco... 26%
	Least	Martinho... 0.2%	Martinho... 0.4%
With a future	Most	Cavaco... 29.4%	Cavaco... 22.7%
	Least	Adriano... 0.1%	Jardim... —
			Jardim

Soares belongs to another world--perhaps, to be precise, that of disquieting suitors whom daughters cannot resist. In him, not surprisingly, there shine the talents of seduction: he is a skillful, likable, and intelligent person. And because of that, he also has a future. Thanks to his levelheaded conduct as president, it seems that he is beginning to be taken more seriously, with the people discovering in him virtues of efficiency and work that add further polish to his brilliance. Little by little he is wearing down the ire of Lisbon and women. Most appreciated by the poor, he is starting to benefit from a consensus of favorable opinion. He shows promise of lasting.

Freitas the brain: no one objects to him, but brains are not enough. Although he is likable and attractive, like a well-decorated palace, people do not see him as a man who does things--as the skillful type capable of achieving a (political) goal, or even as a man sincerely devoted to an idea. And he is marked by his class origins.

Eanes is more clearly than ever a poor copy of Cavaco--with the same down-to-earth excellence of a good honest fellow, but without the know-how, the intelligence, or even the capacity for work that the other fellow has. Despite the supportive efforts of his wife, women are not attracted by his upstanding profile.

Lastly, there is Constancio, not as well thought of as Cunhal but with the aforesaid future to his credit. A lot of good that will do him now, seeing that with Constancio having been chosen by the PS to confront Cavaco on common ground, that is precisely where he is being crushed most clearly by Cavaco: in intelligence and effectiveness. It is obvious that the new Socialist leader is still suffering from the fact that to some extent he is unknown (or perhaps he is being given the benefit of the doubt--when faced with a choice between Cavaco and Constancio, many of those polled avoided stating an opinion), so little can be done about those areas where the head of the government is already ahead of the opposition by an absolute majority. To top it all off, Portuguese consider Cavaco more honest and more handsome. That last-named area of supremacy is no doubt secondary, but there is also no doubt that it is even more incurable. In making its choice, the PS seems to have succumbed to a simplistic solution that will have disastrous consequences.

Technical Data--Universe: residents over 18 years of age in Lisbon, Porto, Coimbra, Evora, Vila Real, and Viseu. Sample: 599 individuals. Sampling: random, using the random route method to select homes and the Kish method to select the individual within each home. Results were weighted by city, sex, age, and socioeconomic class. Fieldwork: interviews conducted between 5 and 8 August 1986. Margin of error: 4 percent for all six cities and for a confidence level of 95 percent for p + 50%. Responsible institute: NORMA, Inc., the Portuguese member of Gallup International.

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POLITICAL

PORTUGAL

EANES DIFFICULTIES SEEN SELF-INFLICTED

Lisbon SEMANARIO in Portuguese 30 Aug 86 p 6

[Article by Marcelo Rebelo de Sousa]

[Text] Understandable Anxieties

There are those who do not understand the anxieties, doubts, and hesitations which are naturally going to assail citizen Antonio Ramalho Eanes (whether he acknowledges them or conceals them) at the moment when he has to assume leadership of the PRD [Democratic Renewal Party].

There are those who think that leaders do not vacillate, waver, or wait and are not afraid.

There are those who support the idea that to be real, leadership should assert itself with no need for preparation, protective shields, or prolonged mental conditioning.

For our part, we understand perfectly the anxieties of the PRD's new leader. They are the anxieties of someone who launched a party based in Belem Palace and who is now going to have to lead it from Madre de Deus.

When the PRD was established, we immediately drew attention to the fact that it was a monumental error for a party with no program, ideology, or members to move ahead under a unifying sponsor who was president of the republic--but a president with only 3 months remaining of a nonrenewable term. He was the party's reason for existence. It was his wife who imparted the good news, represented the remote leader, and expressed the attraction of power.

And 18 percent voted for the PRD--as a protest, but also out of hope in the power that the president of the republic was.

The only problem was that as luck would have it, the president stopped being a power just when his party most needed him in that position.

The PRD's leader became citizen Antonio Ramalho Eanes, without the enchantment of the position he had held, without the patriarchal image inherent in the

office he had exercised, and without the organic charisma of the term he was serving.

That was worse than forming a party straight off under citizen Eanes just as he is--without the presidential covering, shell, and protection. Because it meant a shift from President Eanes to citizen Eanes, whereas it was for the former that 18 percent had voted. That is not apparent to many people even today. But it will be within a few months.

From 50 Percent to 18 Percent (or Even Less)

There is also the fact that for the leader himself now, it is necessarily unflattering to go from being a president elected by over 50 percent of the Portuguese to being the personification of 18 percent--or even less, if we are to believe the polls showing that the PRD, an aimless party, is fading away.

It is one thing to be way off somewhere in an ivory tower--sibylline, impressive when silent, and with the trappings of state and its sovereign posture. It is a totally different thing to be the third-ranking national party leader, behind Cavaco Silva and Vitor Constancio, and to enter the polemical fray as the symbol of a small party which makes up its mind on a case-by-case basis and which so far has no overall political logic at all.

At Belem Palace, the Eanes enigma compensated for the Eanes disaster--and disaster occurred almost every time the president had to open his mouth and expose himself excessively.

In Madre de Deus, where there is no enigma, how will it be possible to live without permanent disaster?

The easiest solution is to create a protected leader living in a glass jar and protected from himself and from his excesses.

Eanes would be (and will be) the supreme, mysterious, and inaccessible leader. Herminio Martinho would be (and will be) the visible leader--the one who exposes himself, wears himself out, and is consumed.

The former gets the aura of intangibility. The latter gets the dirty business of political negotiation, ticklish affairs, and obstacles.

That is a solution worthy of the man that we all know.

Back then, while still in Belem Palace, did he not guarantee his presidential impartiality by sending his wife to speak at political rallies and on television?

Back then, while still in Belem Palace, did he ever have the courage of a De Gaulle and take charge as partisan leader without needing protective cushions?

And things have not changed, except that the one protecting him is no longer his wife but Herminio Martinho.

We already knew the leader through the intermediary of his wife. Now we will begin to know the leader under the guardianship of his deputy leader.

Just as guardianship is the recourse provided in private law for an incompetent individual who needs protection, so, in the political area, are we going to have someone who wants to be a leader but needs protection, or guardianship. And stepping forward to fill that need is the good-hearted and understanding Herminio Martinho.

To Be or not To Be

The problem is that those precarious solutions are always illusory. It was an illusion to establish the president's party in the belief that the time would not come when the leader would be only a citizen.

It was an illusion to establish the PRD with a leader represented through an intermediary in the belief that a minimum commitment by that leader could be postponed indefinitely.

It is an illusion to think that citizen Eanes can have his cake and eat it too, that he can be the republic's standby for 1991 or 1996 and simultaneously be the leader of 18 percent or even considerably fewer of Portugal's voters, and that he can enjoy the advantages of party leadership without paying the price.

Cavaco Silva is leader of the PSD [Social Democratic Party]; he fought to become leader, and just as he benefits from that office, so he also bears the burden.

Constancio is leader of the PS [Socialist Party] for better and for worse.

Cunhal is leader of the PCP in good times and bad.

Citizen Eanes seems to want to be leader in happy times and to leave the leadership to Herminio Martinho in times of trial. He is the former president for the purposes of Laranjeiras Palace and party leader for the purposes of domination on Fala-So Lane.

Events will wreck that formula very quickly, just as they have demonstrated the precarious nature of leadership from a distance over the past 9 months.

No matter how great the devotion to the hidden leader, it will have its limits at critical moments when he will either expose himself or be morally defeated.

No matter how pure the loyalty of his oracle, that loyalty will not be enough to ensure an effective and quick response when urgent problems need to be solved with the leader's personal presence.

No matter how well arranged the mechanism of guardianship is, it will not prevent third parties from debunking it in due time by calling things by their real names and calling on people to assume their inherent responsibilities.

Not De Gaulle, but What Is He?

In addition to everything already said, one final question occurs to us: in which country in the Europe we have joined can one imagine a leader like the one who was and who will be even more completely in the PRD?

Some well-meaning people will say: look at De Gaulle and the party he established with the Elysee Palace as his base.

But if there is one fact that has become a final verdict among us, it is that General Eanes is anything but a General De Gaulle.

For many decades before entering the Elysee Palace, Gen De Gaulle already existed politically as the embodiment of the French Resistance. Gen Eanes felt that he had turned into a politician in Belem Palace.

De Gaulle acted on men and events. Gen Eanes hesitated when he was in a position to take direct action, and when he did act, it was because he had to.

De Gaulle was a leader who took charge. Gen Eanes likes to be a leader through intermediaries.

Even when out of office, De Gaulle was a compulsory point of reference in national politics. Gen Eanes would like for his visits to the PRD's rank and file to have national reverberations, but in some cases the reverberations have not even been local. And the polls mention his serious image--they do not present him as the great symbol of democratic Portugal.

As a matter of fact, it is no disgrace for anyone not to have the caliber of an exceptional statesman.

If every president of the republic we have had had been an exceptional statesman, we would have gone through four living geniuses already.

Since he is not De Gaulle, what kind of leader is this leader of the PRD?

He does not have his base in unions, cooperatives, or rank-and-file movements, as many Socialist, Social Democratic, and Communist leaders do.

He is not a man seasoned by a complex career in party and politics, as is true of most of the liberal, conservative, and Christian Democratic leaders.

He is not a politician who has been tested in actual and specific government at the national, regional, or local level, as various populist leaders are.

His crucial triumph was called Belem Palace, and it lay in the fact that he was president of the republic. And the PRD arose out of that same fact.

It will be said that the PS and especially the PSD and the CDS [Social Democratic Center Party] are what they are because they, too, were born in some manner from the transitory political power that existed in 1974 and 1975.

The difference, however, is this: the PS was established around Soares, who had already existed politically before it happened. He had a past and his own way of thinking and was headed in a certain direction. The PSD (then called the PPD [Popular Democratic Party]) arose around Sa Carneiro, who had a past, his own way of thinking, and a message. The CDS appeared around Freitas do Amaral, who had already headed a group for years and who was actively present politically in the media and even in university circles.

The PRD describes itself as the party of President Eanes, and so far it is still waiting for a programmatic statement, ideological guidance, and a word of command from its mentor.

Smell of the Past

In that leadership, there is something having little affinity with Europe, its democracies, and its parties.

In that leadership, there is something of the predemocratic caudillo system--more a remembrance of the past than a promise of the future.

Not because the leader is a general. Not because citizen Eanes wants to be a leader and not to be one at the same time. But because of the meaningless effacement which forces a leftist like Jose Carlos de Vasconcelos, for example, to remain mum and accept the linking of the PRD with the Gaullists in the European Parliament because there is no alternative and perhaps--who knows?--to see whether the charismatic dimension can be caught by close contact.

In any case, citizen Eanes deserves our good wishes as he now steps into the leadership.

It is tragic to go from being a symbol for over 50 percent to being the leader of less than 18 percent of the Portuguese.

It is tragic to have to do so hidden behind Herminio Martinho's protective hand.

It is tragic to be the third-ranking party leader, behind Cavaco Silva and Constancio.

It is tragic to be neither the government leader nor the opposition leader.

It is tragic to be the head of a party which decides things on a case-by-case basis according to the temperature of the day, the price of the yen, the good graces of the leader involved, and the ease of telephone communication with Laranjeiras Palace.

It is tragic to begin an active political career at the age of 50 when one is up against people like Cavaco Silva, who is a marvel of youth, and Constancio, who radiates energy.

It is tragic to have to head a party whose voters are on the left while being called upon imploringly to support a government to his right and while being aligned with the French populist and radical Right in Europe.

Let us hope that a challenge of this size will not discourage the PRD's new leader.

May he accept it with bravery and courage.

Without discouragements that even a strong soul could not bear. And without the naiveness that an enlightened mind could not tolerate.

Is it a difficult, burdensome, and troublesome job even so?

Well, who ordered the then President Ramalho Eanes to allow the illusion to be created in the minds of a few party dissidents hanging around Belem that he was a party leader?

Who ordered him to let the presidential photograph be used by the PRD in the same way that Carlos Cruz' picture is promoting (in this case effectively) a growing separate group?

Who ordered him to divert his wife from urgent (and praiseworthy) community projects and send her out to engage in political proselytizing by capturing the hearts of the anxious, proclaiming the unchallengeable truth, and promising paradise around the next corner of history?

Who ordered him to sow the wind 3 months before losing the protection provided by his office, which infallibly protected him from the whirlwind?

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POLITICAL

TURKEY

NEW ANKARA STANCE ON CYPRUS, AEGEAN EXAMINED

Istanbul MILLIYET in Turkish 4 Jul 86 p 9

[Artical by M. Ali Birand: "An Important Change in Ankara in Connection with the Aegean and Cyprus...."]

[Text] Ankara -- The Aegean situation is heating up.... Not only has there been a failure to reconcile opposing views since 1974, but friction is actually increasing.

Who is in fact responsible for this situation?

Turkey says it is Greece.... And Greece says it is us.

Leaving aside who is right and who is not, and looking instead at how developments are being evaluated in Ankara, we cannot but notice an important change in the approach to the problem in recent months.... A new outlook has begun to take shape in certain centers which hold the decisionmaking machinery in their hands....

This is the way things look from Ankara:

Greece, as a consequence of a national policy it regards as just, is constantly squeezing Turkey in the Aegean. In other words, it is doing all it can not to share the Aegean with Turkey.

- The situation concerning the continental shelf is clear. Athens is not prepared even to negotiate.

- It is not prepared to cede to Turkey a share even in the command responsibility regions within the military framework.

- Its approach to the (FIR) Aegean airspace issue is no different.

- Finally, it has also begun taking definite steps in recent months to restrict Turkish military exercises in international waters and airspace over the Aegean.

The only thing Turkey can do to counter all this is to take recourse to international organs, to seek redress or to reject Greece's claims and by so doing to ensure that Greece is also hampered in making proper use of the Aegean.

And that is exactly what Turkey is doing.

Nevertheless, more important than all this is the possibility that Turkey may one day face a Greek fait accompli; that is, the possibility that Greece may extend its territorial waters to 12 miles in the Aegean.... Athens may adopt such a decision at a time and in an international situation wherein Ankara may not be in a position to resort to a military response in the Aegean....

Furthermore, the situation in the Aegean is becoming more tense.... Athens is constantly harping on the "Turkish threat" in the Aegean at international forums, and it is also taking the necessary military measures.... The Turkish-Greek balance in the Aegean is not unconditionally in Turkey's favor. There are certain risks.... What trump cards does Turkey hold against a 12-mile fait accompli and generally against the Greek pressure in the Aegean?

An interesting difference has begun emerging in the current response, as compared with previous ones, to this question by certain centers in Ankara:

"The Turkish units in Cyprus are becoming for us the most important guarantee against a Greek fait accompli in the Aegean. This was not our view until a few years ago. Now, however, the view that our forces in Cyprus constitute one of the most important cards we hold in a possible 12-mile development or a Turkish-Greek showdown is steadily gaining strength as Greece maintains the pressure in the Aegean.... In particular, the dilatory tactics it is practicing in the Cyprus problem in the hope of keeping us under pressure and its rejection of even the simplest dialogue on the Aegean issue have strengthened our view that it is preparing itself for a day of reckoning with Turkey one way or another, and so we have begun a review of our position.... Let no one ask us to withdraw troops from Cyprus any longer.... The Greeks have put Cyprus in the position of a hostage for the Aegean...."

This change in evaluation signals the beginning of a very fundamental change in Ankara's view of the Turkish-Greek-Cypriot triangle.

What this means, in plain language, is precisely the following:

"If Greece adopts a 12-mile decision or if it intensifies the pressure in the Aegean and stirs up an atmosphere of acrimony with Turkey, then the strategic deterrent factor at Ankara's disposal will not be confined to the Aegean islands or Thrace. It should know that in the event of a clash, the whole of Cyprus will go, too.

Until now, Greece has proposed the withdrawal of the Turkish troops from Cyprus as the sole condition for dialogue for settling the Aegean or Turkish-Greek problems in general....

Now, Turkey is switching the game around, and it says: "If you are hoping for a settlement in Cyprus, first settle the Aegean or the general issue of Turkish-Greek relations...."

The dimensions of the issue involving relations between Turkey and Greece are steadily increasing. What a pity that very little attention is being paid to these dangers except in a few limited circles in the world.... The truth is that this change in thinking in Ankara signals an increase in dark clouds..."

13184/12851

CSO: 3554/143

POLITICAL

TURKEY

BRIEFS

CALL FOR SANCTIONS AGAINST BULGARIA--Ankara (TERCUMAN)--Kemal Baytas, chairman of the Turkish Publicity Trust, has said that Turkey should cease conducting its Ro-Ro transportation business through Bulgaria. He said: "New sanctions against Bulgarian TIR trucks will bring Bulgaria to its senses." Baytas recalled in a statement yesterday that all countries, with the exception of those behind the Iron Curtain, have deplored the inhuman treatment of our kinsmen in Bulgaria, saying: "Maintaining good-neighborly relations with Bulgaria is rather more to Bulgaria's advantage than ours." He pointed out that Turkish workers travelling home in transit through Bulgaria spend \$150 million in that country every year, adding: "The time has come to sever the connections that are like Bulgaria's lifeline. We could establish a new route for our workers abroad by engaging in Ro-Ro and container transportation. Our patriotic workers will all opt for this route. [Text] [Istanbul TERCUMAN in Turkish 22 Jul 86 p 12] 13184/12851

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SOCIAL

TURKEY

DETENTION OF ISLAMIC FUNDAMENTALIST REPORTED

Istanbul HURRIYET in Turkish 4 Jul 86 pp 1, 17

[Text] Adnan Oktar, widely known as Adnan Hoca, has been arrested and sent to prison by a State Security Court [SSC] on grounds of "engaging in propaganda for theocratic rule, thus weakening the national sentiment," in an interview given to BULVAR. The issue of the newspaper containing the interview was removed from circulation by the authorities.

Looking perplexed as he left the courtroom after examining magistrate Fikret Uluc had ordered his detention, Adnan Hoca said: "I had no thought of propagandizing theocracy when I spoke."

Adnan Hoca, who was investigated in connection with his statement that "I belong to the Turkish people and to the Islamic nation," a statement quoted in a BULVAR feature article entitled "Adnan Hoca and his disciples engaged in a debate with young people.... Why we believe in Adnan Hoca," was brought into the Istanbul State Security Court yesterday afternoon. Adnan Hoca, who was accompanied by police officers from the Security Department, was questioned for nearly a half hour by investigating magistrate Fikret Uluc. After the questioning, magistrate Fikret Uluc ordered that Adnan Hoca be held in custody for "engaging in propaganda for theocratic rule, thus weakening the national sentiment." Adnan Oktar reacted with astonishment at the detention order and said on leaving the courtroom that he had no thought of committing the offenses ascribed to him. Following the order, Adnan Hoca was taken to the Sagmalcilar penal institution.

The 30 June 1986 issue of BULVAR, which carried Adnan Hoca's interview, was removed from circulation by the authorities. As a consequence of the interview, the author of the series, Nazli Ilicak, and the paper's editor, Akin Kamacioglu, have been questioned by the police.

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SOCIAL

TURKEY

FAMILY REUNIFICATION URGED FOR BULGARIAN TURKS

Istanbul TERCUMAN in Turkish 13 Jul 86 p 9

[Text] Ankara (TERCUMAN)--Barlas Dogu, a Motherland Party [MP] deputy from Ankara and the chairman of the Turkish group of the Interparliamentary Union, has sent a telegram to Peter Voudov, chairman of the Bulgarian Interparliamentary Union, asking "for an end to the drama of Aysel and her family." Dogu stated that he will disseminate the TERCUMAN initiative, which started the "Freedom for Aysel" campaign, throughout the world. He said: "While the Aysel incident may seem like the private problem of one family, it is in fact of great importance from the viewpoint of human rights."

Yesterday Barlas Dogu held a press conference jointly with Murat Sokmenoglu, a deputy from the Right Way Party and a member of the Turkish interparliamentary group, and announced that every move necessary will be made in support of Aysel, who has been held "hostage" by the Bulgarians for more than 7 years. Dogu said at the press conference that the "Freedom for Aysel" campaign was initiated by TERCUMAN, and it is their task to make the spark so produced burst into flame. Dogu recalled that he recently attended a session of the Conference on Security and Cooperation in Europe [CSCE] held in Bonn where agreement was reached by 35 countries, including Bulgaria, on the "unification of divided families."

Dogu said that during the meeting in Bonn he was invited by Bulgarian fellow-parliamentarian Voudov to attend a meeting to be held in Bulgaria in the autumn. He stated: "I, in turn, told my Bulgarian counterpart that if we go to his country we will bring up certain problems, and that wherever we meet we will make the problems of our kinsmen in Bulgaria the focus of attention. In addition, I stated that we would have Turkish journalists go with us to such a meeting. Voudov's reaction to the question of journalists was not so favorable, but he asked us to bring a list concerning the unification of divided families. What a coincidence that Aysel's drama has come up now, hard on the heels of this development! Now we want our Bulgarian counterpart to keep his word."

Dogu, as chairman of the Turkish group of the IPU, has sent a telegram to his Bulgarian counterpart, Voudov, asking for an end to Aysel's drama. This is what Dogu said in his telegram:

"The Ozgur family, which moved to Turkey in 1978, has been fasting to the death for the past 10 years in support of their demand to be reunified with their daughter Aysel. I refer the matter to you in order to help end the drama of this family, which is desperately struggling to have their daughter -- whom they have not seen for the past 7 years and of whose fate they are unaware -- with them again.

You will recall that one of the unanimously adopted decisions at the CSCE meeting was that of ensuring support for divided families by deputies and their governments.

You also promised that if I were to provide you with a list of families of Turkish extraction, you would give all possible help in your power. Do let us, by joint efforts, help the Ozgur family -- a sad example of the treatment meted out to divided families between Bulgaria and Turkey -- and end Aysel's drama."

Barlas Dogu said that he had sent a copy of his telegram to Voudov to the IPU chairman and he added that if no results could be obtained in the near future, he would raise the matter of Aysel's drama at the third session of the Solidarity Organization of Muslim Parliamentarians to be held in Senegal in the autumn. Dogu said: "We shall let the whole world hear all about Aysel's drama. Bulgarian practices have become a massacre of human rights. The state of the Ozgur family is a melancholy picture of a father and a mother dying inch by inch for the freedom of their children. There can be no family unit anywhere in the world whose conscience would not suffer sharply at the sight of this situation."

(Boxed material: Armaoglu--"The Government Is Not Energetic on Behalf of Aysel" Ankara (TERCUMAN)--The Free Democratic Party [FDP] has accused the government of "not being sufficiently energetic" in regard to the oppression of our kinsmen in Bulgaria and the "Aysel issue." At a press conference yesterday deputy leader of the FDP Fahir Armaoglu said that "a great tragedy is taking place right before the eyes of the whole world, and mankind remains indifferent to this tragedy."

Armaoglu stated: "The only reason for the lack of support for this national problem of ours at the international level is the passive policy pursued by our government. This administration raises its voice when the issue flares up in public opinion, but it remains silent when public opinion is quiet or when there are no new incidents involving our kinsmen."

Fahir Armaoglu noted that the Bulgarian Government is not permitting Aysel Ozgur to join her family in Turkey and is turning a deaf ear to these cries in a totally inhuman manner. He stated: "This attitude of the Bulgarian Government is shameful even for communism, because the face of communism as shown in Bulgaria is one of a regime of savagery."

Furthermore, Armaoglu noted, there is also a total lack of information as to what is now happening to the more than 1 million of our kinsmen in Bulgaria. He added: "How sad it is that the Western world -- which so assertively poses as the champion of freedom and human rights -- stands by as a mere spectator to this tragedy. We are looking for the kind of state that would send its air and naval forces into action because one of its citizens was killed on the 'Achille Lauro' and even hijack an airliner in its efforts to catch the terrorists. Nor do we see any sign of the kind of state that -- because a few of its citizens were killed in the Rome and Vienna airports -- would bomb the territory of a state it accused of supporting terrorism and would even come to the brink of declaring war on it."

The deputy leader of the FDP said that there is no evidence that the government has adopted an extensive, planned and programmed policy concerning our kinsmen in Bulgaria, and that this lack of a competent and energetic policy and effort by the government has caused the indifference of our friends and allies to the fate of the Turkish national existence in Bulgaria. Armaoglu declared: "The government has at its disposal a number of funds with no indication as to what they will be used for and how. An important part of these funds should be spent on telling the world all about the case of the genocide of our kinsmen." [end boxed materiel]

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ECONOMIC

AUSTRIA

TRADE UNION FEDERATION MULLS STRATEGY, NEXT PRESIDENT

Vienna PROFIL in German 28 Jul 86 pp 21-24

[Article by Josef Votzi: "The Long March of Alfred D."]

[Text] A growing number of leading trade union officials sees Alfred Dallinger moving inexorably to the top of the Austrian Trade Union Federation (OeGB). Whether he will actually make it will be determined in the fall.

For weeks now, Franz Josef Weissenboeck, spokesman for the minister for social administration, has been delivering one rebuff after another. "No, the minister does not want to comment on that at the moment. I am sorry, it is nothing personal. At present, that is his attitude toward all members of the press."

Alfred Dallinger knows when it is time to say something and when he is better off maintaining a monastic silence. Only one entirely predictable questioner from the Austrian Socialist Party (SPOe) organ KAERNTNER TAGESZEITUNG was allowed to approach him at his vacation domicile on the Woerther See last week.

The obligatory final round in the familiar question-and-answer game among party friends: "What will be the name of the OeGB president in the fall of next year?" Dallinger: "Well, that's the big question."

Not until a few weeks ago did the big wigs of the OeGB get together to decide who should succeed Benya. At that time Dallinger's opponents spread the word that the race had already been run, with Adolf Czettel, the president of the Chamber of Labor and close confidant of Benya, having been unequivocally nominated heir apparent by the leaders.

In fact, the leading SPOe officials disbanded without any decision. "Czettel ain't in yet by a long shot," says a workers' trade unionist and OeGB deputy president. "Particularly among us in the unions, where, if anything, Dallinger has long been viewed skeptically, he has gained a lot of respect and credibility."

Within the Trade Union Federation, the scheduled election of a president at the next OeGB congress in the fall of 1987 has clearly been narrowed down to a choice between Czettel and Dallinger. Benya's right-hand man, OeGB Executive Secretary Fritz Verzetnitsch, is no longer considered qualified for the leading office.

"The young fellow," as the OeGB seniors are wont to call Verzetnitsch, who after all is 40 years old, is "very clever and talented," everyone says, "but simply is still too young."

What is needed is a transition president for one or two terms--in other words, for 4-8 years. "I would like to see an older man," says textile union chief Harald Ettl, who like Verzetnitsch belongs to the middle trade union generation, "so that the younger ones can develop even better."

Candidate Adolf Czettel will turn 62 this October, and a month later candidate Alfred Dallinger will be 60 years old.

If the mood that can be detected among many of the 15 individual unions persists, Alfred Dallinger will win the race for the succession by the requisite nose. Particularly since metalworkers union man Adolf Czettel issued a clear no at a session of Socialist OeGB deputies and since that time has repeatedly told friends that he does not want the job.

When the head of the Chamber of Labor, who is also president of the Main Association of Social Security Carriers, recently assumed supreme command over the pension and health insurance offices, as well, quite a few comrades thought this was another sign that he did not want to succeed Benya.

"Czettel certainly pointed in that direction when he went over to the Main Association," says construction union man Josef Hesoun, "but just the same that does not mean he is no longer a potential candidate.

"No one can stop Dallinger any more," says metalworkers union man and SPOe deputy Franz Koeck. "Various resentments against him have disappeared because he has shown class--as someone with an eye to the future who also supports unpopular things."

"Dallinger is someone who has strongly come to the fore, particularly among young people," says the OeGB training director, Styrian deputy Rupert Gmoser.

The same kind of opinion is being expressed as well among those very close to the OeGB vice president--though, as may be expected in a situation like this, only anonymously.

Alfred Dallinger is on the way to the top of the OeGB--the climax of a long march.

The head of private industry employees is in the process of reaping the fruits among union people of his campaign of many years to shorten the workweek. "That route was not very popular among workers in the beginning," says Franz Koeck of the metalworkers union, "and Dallinger knew that, but he continued to pursue his line nevertheless, and now many people realize that it has had positive results."

"We too now view a shorter workweek differently," confirms Josef Hesoun of the construction workers union. "Dallinger's line is now receiving full recognition."

In the to-and fro of the many small individual interests in everyday trade union life, the joint march toward a 35-hour week has gradually become an idea with wide support.

By next spring not quite half a million Austrians will be working fewer than 40 hours a week:

--It began when sugar industry workers embarked on a 38-hour week last fall. They were followed by the printing workers, mill workers, and the fat and petroleum industry--about 40,000 workers in all.

--This fall newspaper and insurance employees will start working a 38.5-hour week, and they will be joined at the beginning of November by the 315,000 workers and employees of the metal industry--the biggest contingent so far.

--A cut in the regular workweek has already been agreed for the chemical and paper industry, whose workers will start a 38-hour week in the spring of 1987.

--The 370,000 commerce employees are expected to include a request for a shorter workweek in the items to be negotiated in wage talks this fall. Relevant internal agreements already exist in the savings banks and in the textile industry.

Alfred Dallinger is clearly no longer alone by any means as he travels across the country preaching that "the 35-hour week will become a reality by the end of this decade." OeGB soothsayers are making careful note of the fact that veteran leader Anton Benya in this year's address on the occasion of the SPOe May parade for the first time came out clearly for a shorter workweek.

While Benya is slowly catching up, his union colleagues are pulling further ahead. At the OeGB congress 3 years ago, the trade unionists began by deciding on a branch-by-branch strategy via the various collective agreements. As the head of the construction workers, Josef Hesoun, explains: "This compromise to shorten the workweek in that way is being viewed differently now. It was all right for a start, but cannot be a model for the future."

An increasing number of people are working to secure an unequivocal change of course at the coming OeGB congress. The next stages on the way to a 35-hour week are to be agreed in so-called general collective agreements.

OeGB expert Hesoun opines: "Conceivably this change in strategy will gain the support of a majority at the congress. Such a general collective agreement that is binding on everyone is sure to be a hot subject of negotiation between labor and management."

Dallinger and company do not believe that the small steps now being taken in some branches will have a telling effect on employment. Many collective agreements have set up a 3-month period by the end of which the workweek must actually be shortened. In terms of a 3-month average, the workweek is to be no longer than 38 or 38.5 hours.

Dallinger partner Hesoun says: "If that means in practice that you'll pay me overtime for anything over 38 hours, I don't know whether that can be the meaning and purpose."

Dallinger is already putting management on its guard. "We can see a general collective agreement or a settlement by law," says a Dallinger confidant.

However, Dallinger, the nemesis of management--as has also been noted carefully within the OeGB--is no longer quite what he used to be. The OeGB codetermination plans comprising 29 points were negotiated by the minister for social administration with management without any fanfare and then submitted to Parliament for approval by all-party consensus.

Not until the Austrian People's Party (OeVP) Economic Association boasted ex post facto that "the enterprise incapacitation law is dead" did Dallinger once again bare his fangs a little. He let it be known that there would be "no deviation from the original demands" and that it was his purpose to "realize them as soon as possible under possibly new political circumstances."

Even among the OeVP opposition, a number of people have discovered Dallinger to be a consensus man with whom one can reach an agreement. "In the beginning," says OeVP deputy Lichal, head of the Christian trade union deputies, it was thought that he would eat up everyone whole and that he was the very devil in many areas, but he has now caught up a lot in management-labor relations and is gaining prestige as a consensus politician."

A change in direction or by reprochement can, however, be detected on both sides. Three years ago, when Benya's deputy pondered aloud at the OeGB congress about new financing patterns for the social grid ("value-added tax") the opposition beat him over the head with the slogan of "machine tax." For the past year and a half, however, a committee at the Ministry of Social Administration, including representatives of management and labor, has been pondering the practical implementation of that originally disparaged proposal. Within a year, such a financing pattern will be a reality.

OeVP workers' spokesman Walter Heinzinger does not want to see the value-added tax "defamed as a machine tax any longer." Over the long term Dallinger was right to intervene where expensive people are being replaced by inexpensive machines, says Heinzinger, adding, "I can get money only where it is being created additionally--in the creation of values."

As yet, the bogeyman of the media has not become the most popular guest in Austrians' living rooms. "I am not guided by a positive or negative image people ascribe to me," says Dallinger about himself. "My philosophy is that we must not see things statically, and since Austrians tend toward the static and are fond of applying a brake to problems that cannot be solved, I simply am often at variance with the Austrian mentality. And that often requires very strong nerves."

Even at his advanced age, Dallinger is stimulated by mordant newspaper comments, contradiction, and opposition. "Did I do something wrong?" he sometimes says grinning when, contrary to his expectation, economic journalists leave him alone for a while.

"If anything, his fighting spirit has increased," says someone who has followed in his tracks for years. "However, he has never been the boor he has often been portrayed. Dallinger has always been a man of realpolitik, though one with solid principles."

Anton Benya is spreading the word in the OeGB that a great deal of what is being written into basic programs is no more than "standing provisions" [stehsaetze] in the ordinary sense of the term. "They stand in an action program and keep standing there."

They also say about Dallinger that while he has always worked for a consensus with the Christian trade union, he has often fought very long about a joint formulation of set aims.

"As minister of social administration," says a trade union expert, "he has always had to prove that he also represents workers' interests and not only the employees." The crucial test for Dallinger, as well as for all other candidates for the leading position, he says, will come in the fall when reform plans for United Austrian Iron and Steel Works (VOeST) will be up for consideration.

Employee trade unionist Dallinger has repeatedly visited the crisis areas in Styria and is also on good terms with such gruff works councilors as Adolf Fauland (Donawitz VOeST works) and Alois Rechberger (VEW-Kapfenberg).

According to one workers trade unionist, "the decisions at VOeST and actions by the functionaries are going to yield quite a number of things that cannot be divined as yet, and a great deal will then be seen in a different light."

According to the wishes of most leading union officials, the leadership question is to be decided within the OeGB in the fall, the idea being that Benya's successor has to have enough time to set the tone for the congress the way he sees fit.

The choice between Czettel and Dallinger will also be a vote about the future political course. Czettel stands for a deliberate and inconspicuous continuation of the Benya line. When he was chancellor, Fred Sinowatz invariably included the head of the Chamber of Labor in all routine decisions.

Czettel was late jumping on the shorter workweek bandwagon. Returning from a trip to Japan 5 years ago, he caused a certain sensation and some opposition with his summary statement that "all industrialized countries will have to work harder."

Speaking elsewhere at about the same time, Czettel warned that "Dallinger, too, will still have to undergo a maturing process, because it would surely be awful for someone to become a minister and then be able to do whatever he wants."

Both internally and externally, neither candidate has failed to pay the other back in his own coin. When Czettel publicly states that it was improper for

Dallinger to be both the OeGB leader and a member of the government, Dallinger countered that he could not comment about that because he did not know in which capacity the metalworkers union man and president of the Chamber of Labor and the Main Association had made his statement.

Sepp Wille, metalworkers union chairman and leader of the SPOe parliamentary faction, proving once again to be an independent thinker, says: "If the deliberations show that there is no solution that is really convincing for everyone, it will come to a point where the congress simply will be offered alternatives between individuals. If two or three candidates are in sight, it will not do the OeGB any public harm to come up with a majority vote for one of them."

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ECONOMIC

GREECE

IMPROVEMENT SEEN IN BALANCE ON CURRENT ACCOUNTS

Athens I KATHIMERINI in Greek 9 Sep 86 p 7

[Text] Even though imports continued to rise in July, the balance on current accounts--favored by the fall in oil prices and increase in receipts from the EEC, exports and tourism--showed a surplus of 157 million dollars, whereas in the same month last year it had a deficit of 132 million dollars. This new improvement further shrunk the total deficit and strengthened the authorities' optimism that, up to the end of this year, it will be held to the 1,700 million dollar limit provided by the stabilization program for this year.

In the seven-month period, January to July, the deficit in the balance on current accounts was restricted to 1,362 million dollars, versus 2,139 million in the same period last year, and 1,385 in the seven-month period in 1984. A slight improvement was seen in the influx of private capital, while the government borrowing which was contracted has not been cleared in total and has been carried over into the exchange reserve which, at the end of July, was 2,052 million dollars, versus 1,301 million in the same month last year.

The Ministry of National Economy made the following comments on developments in the balance:

"The data on the balance of foreign trade for July show a surplus of 157 million dollars, versus a deficit of 132 million dollars in July, 1985. A result of this favorable development is that the deficit in the balance on current accounts for the seven-month period, January to July 1986, is 1,326 million dollars, while in the same period in 1985 it was 2,139 million dollars. In other words, the deficit shows a 38-percent decrease.

From an examination of the partial data on the balance, it emerges that both exports and invisible revenues are developing favorably and in accordance with the targets which had been set with the measures for stabilizing the economy (as evidence we report that exports increased in July 21.8 percent, tourist exchange was up 32.1 percent and shipping exchange increased 7.2 percent). Conversely, imports, aside from fuel, continued to rise in July. Thus, in the seven-month period, January to July, the increase in imports is on the order of 11.5 percent, compared to the same period in 1985. This development in imports should be connected with the fact that, during the first half of 1986, economic activity was maintained at relatively increased levels in comparison to 1985. Because of this tendency in imports, it is necessary for the monetary program to be faithfully implemented in the second half of 1986.

According to the Bank of Greece's data, the development of the balance in the seven-month period, January to July, in the last three years is as follows, in million dollars:

	<u>1984</u>	<u>1985</u>	<u>1986</u>
Imports	5,804	6,152	5,867
Exports	<u>2,674</u>	<u>2,450</u>	<u>2,501</u>
Trade Balance	-3,130	-3,702	-3,366
Invisible Revenues	2,885	2,771	3,485
Invisible Payments	<u>1,140</u>	<u>1,208</u>	<u>1,445</u>
Balance on Invisibles	1,745	1,563	2,040
Balance on Current Accounts	-1,385	-2,139	-1,326
Working Capital (Net)	1,822	2,191	1,558

From these data, the following emerge:

1. Imports are dropping but this is owing exclusively to the decrease in the exchange expenditure for fuels. Conversely, imports, without fuels, have increased 11.5 percent.
2. Exports with fuels are up 2.1 percent and, without fuels, 13.1 percent.
3. Invisible revenues are showing serious improvement and, in particular, tourist exchange has increased 23.4 percent. Receipts from the EEC are nearly doubled; in the seven months they reached 859 million dollars, versus 433 last year.

9247

CSO: 3521/249

ECONOMIC

GREECE

FIGURES ON DISTRIBUTION OF INCOME, WEALTH, RESOURCES

Athens ENA in Greek 4 Sep 86 pp 23-26

Article by Makis Andronopoulos

Text Any of you who still believe that you are "privileged" to live in Athens should revise your thinking because at least a few years ago you used to say "yes, I do live with mental anguish but I do make money." Unfortunately, you do not even have that argument any more.

The changes that have taken place in the 1961-1981 20-year period have been so significant that they have turned things upside down. For example, the Dodekanisos and Kastoria have a concentration of the "biggest capitalists" in the country since these nomes have the biggest percentage of incomes derived from the working of capital.

And yet in the 1971-1981 decade differences in incomes among the 52 nomes of the country decreased significantly and, indeed, to such an extent that Greece is today the most balanced EEC country as far as the domestic distribution of income is concerned.

The above conclusions derive from an initial perusal of the study on "Regional Distribution of National Income in 1981" by Vangelis Voloudakis, director of economic studies of the Bank of Greece, and Stathis Panourgias, economist first class of the above body. The study is included in the third volume of "The Greek Economy" recently published by the Bank of Greece. The two researchers used data of the last population census in 1981. Let us now see what they came up with.

The Athens area produces almost 40 percent of the overall private income despite the fact that it has 31.08 percent of the population of the country.

In 1981, Athens produced income amounting to 641.4 billion drachmas which together with remittances and transfers of income from abroad reached a total sum of 692.6 billion drachmas. Subtraction of indirect taxes (income tax) and contributions to social security results in net income of 656.5 billion drachmas to be used for spending purposes by the inhabitants. In other words, while Athens produces 40 percent of the income it has at its disposal only 37 percent, something that means that 3 percent of the overall income of the capital area is transferred to other nomes.

In 1981, the per capita income in Athens was 229,795 drachmas, i.e. about 28 percent above the average for the country. Net income, after the subtraction of taxes, was 216,887 drachmas or 19.4 percent above the average.

These figures show that the income supremacy of Athens is substantially being reduced by 10 percent when one takes into account the net income. And here too the flight of resources to the provinces is indicated.

Here we should point out the steady drop of income in the capital which in 1971 was 41 percent of the total for the country and which in 1986 had dropped to 39.7 percent.

Let us now leave Athens. Coming in second place in income after the capital is Salonica Nome. In 1981, it produced incomes of 148.3 billion drachmas, i.e. 8.5 percent of the total of the country. Net income (without taxes) was 148.6 billion drachmas (8.4 percent of the total).

There follows the remainder of Attiki Nome with incomes of 56.2 billion drachmas or 3.2 percent of the overall income of the country.

These two nomes give a small part of their incomes, only 0.1 percent, to the other nomes, while they share in population with a greater percentage than income. Salonica has 8.9 percent of the population and the remainder of Attiki 3.5 percent. The result is that the per capita income is lower than the average.

The poorest nomes are Evrytania and Levkas with incomes just 0.1 percent of the overall private national income. Following them with 0.2 percent are Zakynthos, Kefallinia and Grevena nomes. Specifically, Evrytania Nome has a per capita income 40 percent smaller than the average.

Despite all of the above, a more careful view of the rich nomes, i.e. where the per capita income surpasses the average net income shows that Athens, Voiotia, Argolis, Korinthia and Kozani nomes are the "first five."

The five poorest nomes, besides Evrytania, are Rodopi, Artta, Levkas and Xanthi.

Close to average are Kyklades, Kavala, Kilkis and Evvoia nomes. The remaining nomes fall behind by 10-20 percent of the average per capita income.

Nomes that are "net grantors," i.e. their incomes are transferred to others are as follows: in 1981, the capital area that gave 5.6 percent of its per capita income, the remainder of Attiki with 2.2 percent, Voiotia and Kastoria with 1.7 percent, while Salonica appeared neutral, that is it receives as much as it gives.

The remaining nomes of the country are "net receivers" of income from other areas. Most of the nomes that receive are Thesprotia, Kefallinia, Lesvos and Samos that consequently augment by 20 percent their per capita incomes. They are followed by Zakynthos, Levkas, Drama and Dodekanisos with 15-17 percent.

Of interest is the evolution of the distribution of private national income in various nomos in the 1961-1981 20-year period, that is how much income was produced by labor, capital (business, rents, etc.) and agriculture.

From a perusal of the tables in the study it follows that the Dodekanisos with Rhodes and its hotels had in 1981 the biggest rewards from capital. Twenty-seven percent of the nome's income was a product of capital as compared with 27.87 percent in 1971 and 23.36 percent in 1961. Income from labor (wages and salaries) rose from 53.93 percent in 1961 to 62.31 percent in 1981.

At the same time, we have a drop in the participation of agricultural income in the overall income of the nome. From 26.19 percent in 1971 it dropped to 10.69 percent in 1981.

A second nome with big income from capital (rents, companies, etc.) was Kastoria. In 1961, only 15.84 percent were rewards from capital, while in 1971 it reached 18.39 percent and then jumped to 26.55 percent in 1981. On the other hand, labor had income of 48.24 percent, 54.24 percent and 55.85 percent. Agricultural income followed a downward trend; from 35.92 percent in 1961 it dropped to 27.37 percent in 1971 and 17.60 percent in 1981.

From these two nomos we see that as the participation of capital increases in the overall incomes income from labor follows afoot, while agricultural income drops.

Athens comes in third in income from capital. Indeed, we can say that the participation of capital in the overall income of the city "has tumbled." While in 1961, 32.83 percent of the city's income derived from the utilization of capital, in 1971 it dropped to 29.6 percent and to 23.27 percent in 1981. In this 20-year period the capital area was converted into a city of workers and employees. Remuneration from labor in 1961 represented 66.54 percent of income while in 1971 it was 70.34 percent and 76.48 percent in 1981! Agricultural income for Athens ranged from 0.63-0.25 percent during the 20-year period.

On the other hand, of the above-mentioned nomos, Fokis, Aitolokarnania and Kilikis have under 10 percent of income from capital.

In the 1961-1981 20-year period a general increase in income from labor was noted. This, however, according to the researchers, is not a sure characteristic of dynamic economic development.

Nevertheless, the researchers perceive that the distribution of per capita income regionally, compared to the distribution of the overall income, showed a substantial improvement during the 1971-1981 period. With the exception of Athens which is 20 percent higher than the average and Evrytania which is 41 percent lower than the average per capita income, the remaining nomos "played" in 1981 within margins that do not surpass 20 percent of the average income of the country. On the other hand, in the 1961-1971 decade there were no significant changes in income in the nomos. Improvement in the second decade came primarily from the transfer of income and emigrant remittances that changed the financial picture of the country. In the 1981-1991 decade it is conjectured that the balancing role played by emigrant remittances will be played by the inflow of capital from EEC funds.

Impressive is the conclusion, according to which the distribution of income in quite a few nomes approximates the standards of developed countries without, however, any corresponding income rise or improvement of the production base, a fact that reflects more state and outside interventions instead of free competitive development.

Nevertheless, regional distribution of income in Greece in 1981 was among the most balanced in all of the EEC with the exception of Great Britain.

The changes that contributed to the income of the nomes in the 1961-1981 period indicate that the tax base has been displaced, a fact which, according to the study, must be examined in depth by the state.

So, times have changed. And it is not only the fresh air and quiet life that will make you decide to leave Athens. Think of it for a moment: you will leave all that mental anguish and gasoline fumes and...you will even get paid to boot!"

NOME	NET INCOME (in 1,000 drachmas)	PERCENTAGE OF INCOME	PERCENTAGE OF POPULATION
1) ΠΕΡΙΦ. ΠΡΩΤΕΥΟΥΣΑΣ Capital area	656.587.881.000	37,1%	31,08
2) ΘΕΣΣΑΛΟΝΙΚΗΣ Salonica	148.667.325.000	8,4%	8,95
3) ΥΠΟΛ. ΑΤΤΙΚΗΣ Remainder of Attiki	54.973.433.000	3,1%	3,52
4) ΑΧΑΪΑΣ Akhaia	45.421.788.000	2,5%	2,83
5) ΛΑΡΙΣΑΣ Larisa	42.259.336.000	2,3%	2,61
6) ΗΡΑΚΛΕΙΟΥ Irakleion	40.237.291.000	2,2%	2,50
7) ΑΙΤΩΛΟΑΚΑΡΝΑΝΙΑΣ Aitoloakarnania	36.007.949.000	2,0%	2,26
8) ΕΥΒΟΙΑΣ Evvoia	33.139.661.000	1,8%	1,94
9) ΜΑΓΝΗΣΙΑΣ Magnisia	30.855.268.000	1,7%	1,87
10) ΣΕΡΡΩΝ Serrai	29.911.390.000	1,6%	2,02
11) ΚΟΖΑΝΗΣ Kozani	28.569.732.000	1,6%	1,51
12) ΜΕΣΣΗΝΙΑΣ Messinia	27.889.518.000	1,5%	1,64
13) ΦΘΙΩΤΙΔΑΣ Fthiotis	27.595.777.000	1,5%	1,66
14) ΔΩΔΕΚΑΝΗΣΟΥ Dodekanisos	26.427.470.000	1,4%	1,42
15) ΒΟΙΩΤΙΑΣ Voiotia	24.955.535.000	1,4%	1,20
16) ΗΛΕΙΑΣ Ileia	24.895.086.000	1,4%	1,65
17) ΚΑΒΑΛΑΣ Kavala	24.312.997.000	1,3%	1,39
18) ΕΒΡΟΥ Evros	24.252.936.000	1,3%	1,52
19) ΚΟΡΙΝΘΙΑΣ Korinthia	23.977.078.000	1,3%	1,26
20) ΧΑΛΚΙΔΙΚΗ Zakynthos	23.826.005.000	1,3%	0,81
21) ΠΕΛΛΑΣ Pella	23.585.343.000	1,3%	1,36
22) ΗΜΑΘΙΑΣ Imathia	23.113.916.000	1,3%	1,37
23) ΙΩΑΝΝΙΝΩΝ Ioannina	21.762.554.000	1,2%	1,51
24) ΚΑΡΔΙΤΣΑΣ Karditsa	21.102.830.000	1,1%	1,28
25) ΧΑΝΙΩΝ Khandia	20.934.307.000	1,1%	1,29
26) ΤΡΙΚΑΛΩΝ Trikala	20.529.825.000	1,1%	1,38
27) ΑΡΚΑΔΙΑΣ Arkadia	18.428.417.000	1,0%	1,11
28) ΑΡΓΟΛΙΔΑΣ Argolis	17.691.174.000	1,0%	0,95
29) ΠΙΕΡΙΑΣ Pieria	16.936.227.000	0,9%	1,10
30) ΚΥΚΛΑΔΩΝ Kyklades	15.599.691.000	0,8%	0,91
31) ΛΕΣΒΟΥ Lesvos	15.564.251.000	0,8%	1,07
32) ΛΑΚΩΝΙΑΣ Lakonia	15.504.480.000	0,8%	0,96
33) ΚΕΡΚΥΡΑΣ Kerkyra	15.173.062.000	0,8%	1,02
34) ΔΡΑΜΑΣ Drama	15.094.430.000	0,8%	0,97
35) ΚΙΛΚΙΣ Kilkis	14.664.232.000	0,8%	0,84
36) ΡΟΔΟΠΗΣ Rodopi	12.920.767.000	0,7%	1,11
37) ΞΑΝΘΗΣ Xanthi	12.095.084.000	0,6%	0,91
38) ΛΑΣΙΘΙΟΥ Lasithion	11.592.727.000	0,6%	0,72
39) ΑΡΤΑΣ Arta	10.255.195.000	0,5%	0,82
40) ΡΕΘΥΜΝΗΣ Rethymni	9.237.000.000	0,5%	0,65
41) ΚΑΣΤΟΡΙΑΣ Kastoria	8.592.837.000	0,4%	0,55
42) ΠΡΕΒΕΖΑΣ Preveza	8.310.684.000	0,4%	0,57
43) ΧΙΟΥ Khios	7.884.314.000	0,4%	0,51
44) ΦΛΩΡΙΝΑΣ Florina	7.863.126.000	0,4%	0,54
45) ΦΩΚΙΔΑΣ Fokis	6.999.367.000	0,3%	0,45
46) ΘΕΣΠΡΩΤΙΑΣ Thesprotia	6.849.945.000	0,3%	0,42
47) ΣΑΜΟΥ Samos	6.320.819.000	0,3%	0,42
48) ΖΑΚΥΝΘΟΥ Zakynthos	5.319.724.000	0,3%	0,31
49) ΓΡΕΒΕΝΩΝ Grevena	5.225.443.000	0,2%	0,37
50) ΚΕΦΑΛΛΗΝΙΑΣ Kefallinia	5.063.130.000	0,2%	0,32
51) ΕΥΡΥΤΑΝΙΑΣ Evrytania	3.085.615.000	0,1%	0,27
52) ΛΕΥΚΑΔΑΣ Levkas	2.834.902.000	0,1%	0,22

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ECONOMIC

GREECE

BRIEFS

LIQUIDITY CRISIS AFFECTS MARKET--The value of bad checks increased by leaps and bounds in August, according to official data of the Union of Greek Banks. Specifically, in August the value of bad checks reached 1.8 billion drachmas, versus 1.1 billion in August, 1985. In other words, there was a 63-percent increase. At the same time, the value of unpaid bills of exchange increased 18.5 percent, reaching 3.6 billion drachmas. This development reveals the dreadful liquidity crisis which is afflicting the market at present, while, from another standpoint, it reinforces the forecast of commercial factors who maintain that the economic crisis will be intensified in coming months. It should be noted that already--as I KATHIMERINI has written--certain commercial banks have warned the large businesses with which they have dealings that they will have to be very cautious in coming months as regards personal credit. According to the bank's estimations, in the future about one-third of such transactions will have to be considered, a priori, risky. Market factors attribute the increase in bad checks and unpaid bills of exchange, on one hand, to the oppressive restrictions imposed by the government on productive and commercial enterprises and, on the other, to the plummeting retail sales observed in the summer months which did not allow businesses to liquidate their merchandise. [Text] [Athens I KATHIMERINI in Greek 12 Sep 86 p 13] 9247

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ECONOMIC

NETHERLANDS

TRADE UNION FEDERATIONS TO COOPERATE MORE CLOSELY

Amsterdam DE VOLKSKRANT in Dutch 6 Aug 86 pp 1, 3

[Article by Steffie Kouters and Harry van Seumeren: "FNV Wants to Revive Contact with CNV and MHP; Fellow Trade Union Federations Have Positive Reaction, Pont Says"]

[Text] Amsterdam--Following 12 years of separate activity, the FNV [Netherlands Trade Union Federation] now wishes to revive its cooperative relationship with fellow trade union federations CNV [National Federation of Christian Workers in the Netherlands] and MHP (Mid-Level and Executive Personnel). "We in the FNV want to take the initiative because we are frequently seen as being opposed to cooperation," FNV chairman H. Pont said on Tuesday.

The chairmen of the two other trade union federations did not react negatively when contacted informally by Pont several weeks ago. This appeared to be the case on Monday based on the reaction given by CNV chairman H. van der Meulen: "I do not rule out some form of cooperation, but I do want to preserve our identity. It must not be the case that the FNV makes a decision and we are supposed to submit to it later on."

Up until 1974, the three trade union federations existing at that time, the NKV [Netherlands Catholic Workers Federation], NVV [Netherlands Federation of Trade Unions], and CNV, worked together within the decision-making body of the three trade union federations. This executive-level cooperation was destroyed first when the NKV and the NVV formed a federation and later joined to form the FNV. Initially, the CNV participated in the federation's deliberations, but later it went its own way. Pont said on Tuesday that as the years pass he is understanding more and more the need to again have a structured decision-making system.

Absolutely Necessary

"In addition to being chairman of the FNV, I am also vice chairman of the Social-Economic Council (SER) and labor chairman of the Labor Foundation, the national decision-making body for the federations of employers and employees. Here I of course hold my post not exclusively in my capacity as FNV chairman, but also as the first speaker for all the representatives of employee organizations. A structured decision-making system among all of the trade union federations is therefore absolutely necessary," according to Pont.

"Structured decision-making with one another eliminates unnecessary divergences in viewpoint. The risk at present is that the trade union federations are moving away from each other. This would be very harmful to labor relations. The first signs of a development which I am afraid of are already there. This year various collective bargaining agreements have been concluded exclusively with representatives for the executive personnel. The industrial unions of the FNV and the CNV have been left behind. A very unfortunate development."

Pont does not envisage a merger of the three trade union federations. "Not at the moment. Even the mere thought of this would serve as a roadblock to initial steps for better cooperation. I know that the CNV in particular is very fond of its separate identity. And given the rapid growth of the MHP, the federation for mid-level and executive personnel, conflicts of interest with the other federations are discernible. Such conflicts will not disappear so soon."

Pont knows that even within his own ranks there is a tendency to "drag one's feet somewhat" as far as closer cooperation with the other federations is concerned. All the same, he is confident that the federation council of his FNV, which includes all of the chairmen of the affiliated unions, will next month grant its stamp of approval to this initiative. The cooperative relationship has been recommended by a project group which recently issued an interim report regarding the FNV's project for the future: "The FNV 14 Years from Now."

The Unions

This working group includes the most important leaders of the affiliated unions. Pont: "For instance, the chairmen of the industrial union and of the women's union are members. I may therefore assume that the report will not be shoved under the table in the federation council. I even consider this to be impossible, but it is perhaps going too far to assume at present that all of the report's suggestions will be adopted just like that."

Only a few unions wished to give their reaction to the interim report because it must still come up for discussion in their executive boards. Most outspoken is J. Schuller from the FNV's construction and lumber union, who presented the initiative to the project group. The other unions adopted the proposal, but the majority of the unions did not want the study to extend as far as the structure of the trade union movement and the mode of organization.

Schuller believes that on the basis of this interim report the federation council must now approve a follow-up study on structure. He realizes, however, that most of his fellow trade unions are still not sitting and waiting for such a study. "For this reason, we ourselves are going to publish a comprehensive discussion paper next year no matter what happens, on the occasion of our 70th year of existence. It's going to be a book written by a number of experts who will not limit themselves to the structure of the FNV itself, but who will investigate how the entire trade union movement in the Netherlands ought to be organized."

Many FNV unions have had enough of structural changes after the large number of reorganizations that occurred in the recent past. Schuller: "But we are

of the opinion that it is really necessary to take a look at this. The interim report itself indicates that several unions are concluding different collective bargaining agreements within a single economic sector or company organization. That is really crazy. There exist major differences among the 16 FNV unions. There are some which have 1,000 members and some which have more than 200,000. But what irritates us most of all is the fact that the trade union federation is much too dependent upon the affiliated unions. The federation must acquire a more independent position."

The FNV's service sector union continues to be impressed by the attention given to the service sector in the report. "We naturally have enough growth possibilities," says spokesman L. de Waal. "At present we have 65,000 members, while approximately one million souls are active in our economic sector. In other words, there is still enough to be done. It would be great if we could arrive at a reorganization in financial resources so that we would be able to invest in manpower. The FNV as a whole must jump into the breach given the changing circumstances within the economic sectors."

De Waal's view is that the service sector union would be able to use the additional money for projects to make it more visible to the target group. Examples of this are the actions taken against circumvention of minimum wages in retail trade as well as the efforts that the union wishes to undertake on behalf of people who work on the basis of flexible contracts, such as temporary help, persons who work at home, contract help, and freelancers.

The second issue with which the service sector union is satisfied is the emphasis that the FNV report places on improving the working conditions for those groups most frequently involved in such flexible contracts. "It is good that the paper makes an explicit choice in favor of certain categories of employees such as women and young people," De Waal says.

De Waal's sole objection is his fear that during the discussion the FNV's attention will perhaps be directed too much toward those persons who have more education.

G. van Bakel, the leader of the FNV food union, points out that the report strengthens the perception that the trade union movement is not making the best impression in the eyes of non-organized workers. "The image is of a club of employed males. Women, young people, ethnic minorities, as well as mid-level and executive personnel are singularly missing from trade union membership rolls."

Project group member van Bakel: "We are urging that these groups be given extra attention without of course neglecting the existing membership. We don't want to make a choice in favor of new groups at the expense of current members. We want to have a more balanced membership profile."

Together with the construction union, the food union holds the view that a follow-up study must be issued in regard to the FNV's structure. "I know that this is a point of contention within the FNV unions, but the project group has really brought the issue up for discussion once more. If you want to have greater balance within the realm of large and small unions, then restructuring is something you will not be able to avoid."

ECONOMIC

TURKEY

NATION URGED TO TAKE ADVANTAGE OF OECD TECHNICAL AID

Istanbul CUMHURİYET in Turkish 25 Jul 86 p 9

[Article by Sakip Sabanci, chairman of The Association of Turkish Industrialists and Businessmen (TUSIAD): "The Visit of the OECD Secretary General to Turkey..."]

[Text] Jean-Claude Paye, OECD secretary general, has come to Turkey and held talks with official and nonofficial circles in Istanbul and Ankara. The OECD was founded in 1948 to save European countries from economic collapse in the aftermath of World War II. It administered the U.S. economic aid to Europe, generally known as the Marshall Plan. It brought its activities to a conclusion at the approach of the 1960's, but because of the faith of its member countries, it was reorganized in 1961 with modified and expanded goals.

Its aims are as follows:

- To achieve the highest possible level of growth and employment consistent with financial stability in member countries and thus to contribute to the world economy.
- To contribute to the efforts of both member and nonmember countries for economic development.
- To support the development of world trade on a multilateral, nondiscriminatory basis.

The OECD has 24 members. All European countries, the United States, Canada, and Japan are members of the organization. In addition, Yugoslavia participates in certain activities of the OECD as a "part-time member." Turkey has been a member of the OECD since it was founded. The organization is significant for Turkey for another reason: when Turkey embarked upon the era of planned development, Western industrialized countries established a "Consortium" which planned the aid from the Western world to go toward Turkey's development and channeled it to Turkey.

Jean-Claude Paye has been the OECD secretary general for over a year, but this is the first time he has set eyes on Istanbul.

According to the secretary general, the OECD Administration has some 500 employees, of whom only 7 are Turks and they are employed at low-level jobs.

It also emerges from the secretary general's statements that Turkey, except for its relations with the "Aid Consortium," is among the member countries that have least benefited from the OECD.

At this stage one must wonder:

- Is it the secretary general's fault that it has taken all this time for him to come to Turkey, or is it ours for not having thought of it earlier?
- Is it the OECD's fault that only 7 of its 500 personnel are Turks, or is this the result of our failure to seek our rights?
- Is it the OECD that has prevented us from taking advantage of various opportunities, or is it our failure to seek them out and use them to our benefit?

Let us set aside any temptation to hunt for a culprit for past errors and assess the future.

- We should be aware of the importance of the OECD. The OECD today carries as much weight regarding its reports on member countries as the IMF. The red or green light it can give regarding a country is as important as a signal from the IMF. We should get this point straight and, armed with this knowledge, keep our relations with the OECD warm and lively.
- We should get a good idea of the OECD's possibilities and try to use these possibilities through projects that fit in with the OECD's conditions.
- We should not look upon the OECD solely as a "financial source." We should benefit from its extensive body of expertise in technical and economic matters and its technical assistance resources. If we keep in mind the OECD's goals at its foundation, we shall see that we have the opportunity of obtaining OECD technical assistance with Turkey's current fundamental problems: inflation, the intensification of investments and employment issues.

Let us by all means deplore the time that has been wasted without making use of the possibilities of this important establishment in which we are members on an equal footing with Western countries -- whether we were ignorant of these possibilities or failed the use of them despite knowing about them. But do let us henceforth show the skill to benefit from this organization.

13184/12851
CSO: 3554/166

ECONOMIC

TURKEY

INDUSTRIALISTS DISCUSS PRIVATIZATION OF STATE ENTERPRISES

Istanbul CUMHURIYET in Turkish 25 Jul 86 p 9

[Text] Economic Service--Industrialists have demanded that "wholesalers' formulas" be regarded with disfavor in the privatization of the State Economic Enterprises [SEE], a process known as "SEE sales." Pointing out that such formulas may create monopolies, the industrialists also proposed that permission for foreign capital investments should also be conditional upon bringing in new technology and creating new markets. Debating the question of "the privatization of the SEE" at a meeting of the Istanbul Chamber of Industry [ICI] Council, industrialists and businessmen demanded that sales of shares in the SEE should be "spread to the grassroots" as a measure against "the risk of renationalization," saying: "The first step in privatization should be to reduce the state's share in the SEE to under 50 percent and to turn over management to the private sector." Airing their views on the question of foreign exchange, an item on the agenda, the industrialists said that "action must be taken as soon as possible to avoid giving the impression that the foreign exchange situation is returning to where it was in 1979."

The ICI Council meeting, held 2 days ago, dwelt on the privatization of the SEE and the foreign exchange shortage. The meeting, chaired by Ibrahim Bodur, first heard Nurullah Gezgin, chairman of the ICI management board. He reminded those present that the subject of the SEE was placed on the agenda at the request of Sakip Sabanci, chairman of the Association of Turkish Industrialists and Businessmen [ATIB] and a member of the ICI Council, and said: "The private sector must approach the SEE issue with one voice under the umbrella of the Union of Turkish Chambers of Industry, Commerce, and Stock Exchanges [UTCICSE]." Arguing that privatization is not a political decision, Gezgin added:

"As is known, this issue was first raised by a Social Democratic government in 1978. The important thing is to make privatization a matter of the people." Council member Saban Cavusoglu, following Gezgin, asked UTCICSE Chairman Ali Coskun to explain the government's view on the subject. Ali Coskun said that the government did not have a particular viewpoint when it placed the subject in its program: "Judging by the initial statements, we thought that the government had some program. Later, however, we found out that these views were those of the consulting firm, Morgan Guaranty." He said that the government's view will be defined after talks with industrialists.

Coskun pointed out that the SEE has fulfilled a historic role as the initiator of industrialization in Turkey. He said that the UTCICSE's official view has emerged from a poll conducted among establishments affiliated with the UTCICSE on the subject of "the privatization of the SEE" and announced the results of the poll as follows:

"The sale of the SEE in accordance with wholesalers' formulas is full of pitfalls. Acts of privatization must therefore deal first with questions concerning the public versus the private sector and then those of management. Initially, the state should reduce its shares in the SEE to under 50 percent of the total, transform these enterprises into limited companies, and let the private sector manage them. Some of the SEE should be sold off by issuing preference shares in them, making these documents convertible into stock shares in 3-5 years. There must be an absolute requirement that establishments with foreign capital that wish to buy into the SEE introduce new technology and create new markets. Furthermore, to guard against the renationalization of the SEE, it is necessary to spread ownership of the shares to the grassroots. Therefore, priority in the sale of shares must go first to the employees of these enterprises, then to the population at large and to employers."

Asim Kocabiyik, member of the ICI Council, proposed that SEE shares should first be turned over to the Condominium and Public Partnership Administration and then sold to the public through the banks. Alber Bilen, another council member, said: "The acquisition of more than 3-5 percent of the shares by anyone person at these sales must be prevented. Working people and others with small savings must be helped to acquire SEE shares." He asked that establishments with foreign capital be allowed to participate in the management of the SEE.

ATIB Chairman Sakip Sabanci proposed that private sector establishments prepare reports on the subject of privatization, and a joint viewpoint based on these be produced. He cited examples of privatization in the United States. He explained how firefighting services, reformatories, refugee services and courts were transferred to the private sector in the United States. He said: "Public opinion is very important in such sales. Care should be taken not to create the impression that some are selling and others are lining their pockets."

The final item on the agenda of the ICI Council meeting concerned the foreign exchange shortage. On this subject, Nurullah Gezgin, recalling Prime Minister Turgut Ozal's statement to the effect that "there is no shortage of foreign exchange," said: "But the fact remains that when a Turkish industrialist applies for a letter of credit, he is asked to pay a 7-percent commission for it." He demanded that this issue should be clarified as soon as possible. He added:

"If there is truly no shortage of foreign exchange, then there is some hitch somewhere along the line; and if there is, then the prime minister should address himself to the problem before he refutes it. Lack of a clear stand can create an impression that may make foreigners ask; 'Are things going back to 1979?', and may lead our foreign suppliers of raw materials and semi-processed goods to halt supplies to us."

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ECONOMIC

TURKEY

SHIPPERS' ORGANIZATION CALLS FOR LARGE, MODERN PORTS

Istanbul MILLIYET in Turkish 4 Jul 86 p 11

[Text] Demands have been voiced for a renunciation of the policy of numerous small ports and for concentration instead on large regional ports in Turkey.

Captain Necmettin Akten, secretary general of the Association of Turkish Long Voyage Vessel Captains, addressed a "Symposium on problems of the maritime sector" held by the Ministry of Communications at the Tarabya Hotel. He stated that the small size and large number of ports increase transportation costs, and he proposed that large, modern ports be built at selected sites. Minister of Communications Veysel Atasoy, who was present at the seminar, welcomed the proposal, saying that large regional ports would solve a major infrastructural problem of the maritime sector. Atasoy noted that it would be more beneficial for the maritime industry if these ports were built in batches by private sector groups.

Altan Koseoglu, deputy director of the Istanbul Region of the Ministry of Communications, dwelt on the effect on the Turkish maritime industry of the Paris memorandum. He said that a new threat in the form of inspection lay in store for the Turkish fleet plying the Mediterranean. Altan Koseoglu explained that the Paris memorandum was a joint decision taken to regulate inspections aimed at insuring the effectiveness of the implementation of the agreements in connection with the maritime industry in 14 European countries, and he said that 376 Turkish vessels have been inspected in accordance with the memorandum in the past 3 years. Koseoglu added:

"According to information received by the Ministry of Communications, Turkish vessels are undergoing strict inspections, mainly at Italian and Greek ports. Through such measures as refusal to allow permission to sail unless deficiencies are corrected, a large part of the freight fees earned by the Turkish vessels -- most of which are coasters -- is being taken from their hands. A threat to the Turkish fleet, which mainly plies the Mediterranean, now lies in Spanish, French, Italian, and Greek ports."

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ECONOMIC

TURKEY

BRIEFS

BUYUKADA ARTIFICIAL HARBOR CONSTRUCTION--The Municipal Council of the Princes' Islands has begun the construction of a fishermen's harbor at Buyukada. The harbor, capable of sheltering up to 200 fishing crews in stormy weather, will cost 100 million lira and is scheduled to be completed this year. Recep Koc, mayor of the Princes' Islands, has pointed out: "Fishermen in Marmara have difficulty in finding shelter in stormy weather, which has resulted in loss of life and property in the past. When the 'Save the Istanbul Coast' operation launched by the greater Istanbul municipality at a cost of 600 billion liras is completed, the Marmara Sea will become a fishing lake and the steadily declining craft of fishing will enjoy a revival. That is why we deem important the fishermen's harbor under construction at Buyukada." Koc recalled: "At one time it had become impossible to fish by hook and line off the coast of the Princes' Islands due to the uncontrolled discharge of sewage into the sea, which made the waters around the islands look as filthy as those of the Golden Horn. The construction of a sewage system is about 85 percent complete now, and the coast of the islands has been saved from excessive pollution. The sewage system of Buyukada is also about to be completed. The haphazard pollution of the shores of these two islands has now been prevented and these coasts have been opened to use by hook and line fishermen." Mayor Recep Koc pointed out, "On the islands where sewage systems are operational, those who discharge dirty water into the sea through rainwater conduits will be fined 500,000 lira." [Text] [Istanbul TERCUMAN in Turkish 13 Jul 86 p 7] 13148/12851

TV TUBE PRODUCTION--Kemal Onder Reports--Ugurgul Elektromekanik Makina Sanayii ve Ticaret A.S., the sole television tube manufacturer in Turkey, has left behind a 2-year period of inactivity to mount a great drive to resume television tube manufacturing and exporting. Achieving great honor for Turkey by exporting television tubes to Europe -- which at one time used to supply us with television sets -- Ugurgul has succeeded in selling its products to a number of large establishments in various European countries, including Philips, one of the best-known and most exacting electronics firms in the world. Ahmet Ugurlu and Ali Gulec, the owners of Ugurgul, which sent the first shipment of 1,600 black and white television tubes to the MBLB company, which represents Philips in Belgium, said that exports will go out regularly every month. Pointing out that there has been a reaction to Japanese goods in European countries in recent years and that there is a movement toward a "European union," Ugurlu and Gulec said: "European factories manufacturing black and white television tubes have closed down. But millions of Europeans continue to use black and white television sets. These need black and white television tubes.

So, because our products are more attractive both as regards quality and cost, discriminating Europeans have begun favoring our television tubes. In this sense, we are very lucky. We will also send regular shipments of TV tubes to Italy and to Middle Eastern countries, Iran, Iraq, and Algeria. We have also brought color television tube production units into production. We will earn 25 million liras worth of foreign exchange from this first shipment of TV tubes to Philips. We are even leaving behind the Eastern Bloc countries in this field." [Text] [Istanbul TERCUMAN in Turkish 13 Jul 86 p 7] 13148/12851

EEC OBJECTION TO IMPORT AGREEMENT--Brussels (HURRIYET)--It has been learned that an agreement has been signed with Iran, without the knowledge of the Turkish Government, envisaging the application of reduced customs tariffs for Iranian non-oil products to be imported into Turkey. Among the few non-oil items that Turkey imports from Iran is caviar. It is understood from EEC circles that Turkey, with a view to developing its trade with Iran, has signed an agreement envisaging the application of reduced customs duties on the non-oil products it will import from that country. This agreement, however, is considered to be in contravention of the supplementary protocol between Turkey and the EEC and of the 1976 Turkish-EEC partnership council decision. EEC circles hold that in the event Turkey introduces changes in a trade regime with an underdeveloped third country, it must consult the EEC. On the other hand, it is claimed that it is not known who made the agreement in question. It is understood that the Turkish Government did not consult the EEC either before or after the agreement was signed. The matter came out into the open when Iran asked for implementation of the agreement and for the granting of a reduced tariff for the export to Turkey of, for example, caviar. It is reported that the Turkish Government has found itself in a difficult position and is trying to find a solution to the problem. [Text] [Istanbul HURRIYET in Turkish 4 Jul 86 p 4] 13184/12851

CSO: 3554/143

MILITARY

AUSTRIA

NEW DEFENSE MINISTER DEMANDS RIGOROUS MANAGEMENT PRINCIPLES

Vienna DIE PRESSE in German 18 Aug 86 p 3

[Article by Peter Zehrer: "The Manager and his Soldiers--Defense Minister Helmut Kruenes's Disconcerting Leadership Style"]

[Text] Vienna--Even though he keeps in perfect step with the martial music when inspecting troops lined up in his honor, Helmut Kruenes still does not look the picture of your "traditional" defense minister. His mode of expression too is quite unlike that of the others. There is about him nothing pointedly martial, nor cryptically silent, nor anything ingratiatingly chummy. There is, on the other hand, quite a bit of skeptical restraint. Nevertheless--or perhaps, just because of this--a number of doubters have come over to his side during the short period he has been in office. Not only in the ministry, but also in the army.

The event whispered about in the cafeteria as a "horror" when the former brick manufacturer took office, the staff meeting at 0800 hours for high-ranking ministry officials, has long since become daily routine. In his position as minister, which Kruenes knows may be short-lived, he operates exactly the way he did in private industry: he demands punctuality, which is occasionally inconvenient (for others); precise status reports in place of the vague statements some of his predecessors had been used to listen to; comprehensive analyses of apparently obvious subjects.

He started the most important analysis himself. "At first, I didn't really pay all that much attention to it," he admits openly. "I was being confronted with all kinds of deficiencies and bad conditions, with the personnel structure and with the economic problems. But it is essential to know what is behind the development of the Federal Army, why things turned out the way they did. That is what I want to know. And so I have been asking a lot of questions."

After such men as Graf, Schleinzler, Prader, Freihsler, Luetgendorf, Roesch and Frischenschlager, Helmut Kruenes is the first defense minister of the Second Republic who is soliciting a description of the threat facing the Austrian Republic, and especially its soldiers--probably also for purposes of self-evaluation. "We must know exactly where we stand if we are to come up with effective remedies."

This attitude does not merely lead to flattery from generals and civil servants who share the minister's point of view. It also brings about agreement among the skeptics in the ministry building: "All the other ministers always accepted whatever people would throw at them. The only thing they cared about was what was happening at any particular moment. No one was concerned about the whys and wherefores."

Helmut Kruenes has done away also with another military "tradition:" at staff meetings, which take place more frequently and last longer than they did in the past, the only liquids served are coffee and mineral water. Says Kruenes: "The other way might promote relaxed chats. I certainly am no teetotaler, but here I am operating just as I was in my previous functions: nothing much comes from too much sociability. If there is hard work to be done, there will not be a drop of alcohol."

Helmut Kruenes is different in a number of ways. Here he entrusts young economic scientists with a study of military procurement procedures. There he informs a moribund state-owned enterprise that he has no intention of handing out procurement contracts for political reasons. And elsewhere, he appoints Austrian university professors as expert inspectors of aircraft pronounced "fully airworthy" by a foreign contractor, because he has a "sense of mistrust."

Inasmuch as military people--God knows, not only Austrian ones--have a tendency to squander millions for military procurement (to quote a high-ranking and honest defender of his country), the new boss suddenly requests cost-effectiveness studies. And he treats his armed forces, which he calls an "organization" with increasing frequency, as an entity which needs to be operated in accordance with marketing and economic management principles.

Premature jubilation by artillerymen and their bosses over the VOEST gun came to naught when the gun suddenly turned out to be inappropriate for Austrian requirements, and too expensive besides. Likewise, in this connection, the "Draken" project suddenly appears to be somewhat uncertain again. In all likelihood, unpleasant surprises are in store for a number of people.

With an air of innocence, the defense minister assures one and all that he "depends" upon "the experts around him." But in a quiet aside, he confesses knowing that military people anywhere in the world know very little about management.

A graduate of countless management courses, Kruenes places particular emphasis on leadership. In contrast with his predecessor, he has surrounded himself with a much happier group of advisers--happier, because they were selected according to criteria used by an expert manager.

Also in contrast with his predecessor, who frequently made ill-considered statements into open microphones to the dismay of his officers (and others), only to be forced to make retractions later, Kruenes practices restraint in dealing with the media. As an example, the subject of guided missiles is for him "simply not relevant, because Austria is in so touchy a political

situation that I have no intention of dealing with this matter through the media. I would consider this to be a terrible mistake."

Also, he is enough of a realist to concede that during the coming months since there will be no "missile" decisions of any kind either. As he puts it, "the national defense must not be made to depend upon one single decision."

He sees the status of the Bundesheer from the standpoint of the economist: "In the economy, there is a true bottom line, the true outcome of competition. Any planning is made to conform to the market situation. There is no such thing as long-term planning without market analysis." That, he says, is what is urgently needed in the armed forces. "The only good thing about it is that we don't actually have to come up with a bottom line."

To make the results of the analysis initiated by him public he considers "highly inadvisable; after all, no other firm puts all its cards on the table." Austria, he says, has gone much farther than any other country by publicizing its national defense plan.

The only value judgment he is willing to make is fairly typical: "The Federal Army is an atypical service organization, a very large enterprise composed of human beings. For this reason, the human function in this organization is my first priority."

Whenever Krueger talks of "function," he always means "functioning" as well. Which is why some of his subordinates consider him "difficult." And that is probably fine with him.

9273/12947
CSO: 3620/826

MILITARY

GREECE

PYR-KAL LOAN: REPAYMENT SEEN DIFFICULT

Athens I VRADYNI in Greek 2 Sep 86 pp 1, 2

[Text] Yesterday government spokesman, Mr. Milt. Papaioannou, tried to deny VRADYNI's revelations concerning the scandal of the 8 billion yen--7 billion drachmae--loan, which ETVA hastened to approve with exceptional speed in favor of PYR-KAL [Powder and cartridges].

In the meantime, either the government spokesman was deceived by the officials involved in this strange loan grant or he attempted to cover up the whole affair. As a matter of fact, when questioned on the matter, he stated, "It is not true that ETVA negotiated a loan amounting to 7 billion drachmae on behalf of PYR-KAL" and referred any additional questions to ETVA.

ETVA is sure to know! However, the secret of the scandalous loans is no longer a secret. A written complaint was filed by Mr. Dim. Pafilis, president of the union of ETVA employees, who is also their spokesman, with the board of directors of the bank. According to Mr. Pafilis' report to the executive bureau of OTOE, the loan is characterized as "arbitrary and against bank procedures and ethics," without prior research, elemental premises and financial data.

Undeniable Data

Mr. Pafilis denounced the haste and improvisation with which the loan grant was handled. The haste is confirmed by the dates of the relative documents:

The PYR-KAL letter numbered 281/9129 is dated 4 August.

By the following day--5 August--ETVA vice president, Mr. Str. Papaevstratiou, had answered PYR-KAL and apprised it of the terms of the loan, which the bank will present to the board of directors of the National Bank of Greece (Progressive letter number 15800/5 August 86).

On 7 August deputy Minister of Industry and Energy, Mrs. Vaso Papandreou, gave her approval (letter number 5130/7 August) for granting the loan.

On 8 August the Economic Reorganization of Enterprises Organization, Inc. (OOAE) addressed itself to the Monetary Policy Directorate of the Bank of Greece and notified it that the green light had been given for both the "monetary-economic recovery" of PYR-KAL "which is to be carried out in the immediate future" and

that ETVA "will seek to finance PYR-KAL in excess of one-half of the stock capital" and adds that PYR-KAL, with the first withdrawal from the account of the new 8 billion yen loan, will repay the remaining balance due on the 4 billion drachmae loan that had been obtained from the National Bank.

However, further on in the same OOA document it is mentioned that, until that time, the ETE (National Bank of Greece) had granted loans to PYR-KAL for only 1.4 billion drachmae (from the 4 billion drachmae loan) "and it is expected that it will not be possible to grant the entire loan because of a decided disbursing problem by ETE ..."

Thus, because ETE has problems in disbursing drachmae, ETVA appears willing to grant PYR-KAL a loan in yen in a flash!

Many other interesting details were revealed by the study of the above-mentioned documents. However, let us return to Mr. Pafilis' denunciation to the OTOE executive bureau.

The contracting of the loan was approved on 21 August. The only information ETVA's board of directors had in order to approve it were the terms for granting the loan contained in a two and one-half page report (handwritten, dated 18 August) wherein it is stated that "ETVA will draw the 8 billion yen from part of the bulk of the loan in foreign exchange recently contracted with Japan and deposited in the Bank of Greece."

In addition, Mr. Pafilis' report to the OTOE executive bureau that he was advised by telephone by Mr. Pan. Moskholios, alternate general director of PYR-KAL, that its board of directors knew nothing regarding the matter of the loan and that his information went as far back as July when it was announced that a loan of 4 billion drachmae had been granted to PYR-KAL by the National Bank to finance its exports. The denunciation adds that it is impossible for PYR-KAL to repay the loan in 3 years, moreover in foreign exchange, while there is the danger of the yen being reevaluated, at which time the debt will increase even more.

9731

CSO: 3521/252

MILITARY

GREECE

DETAILS ON JOINT FILIPPOS-86 MILITARY MANEUVERS

Maneuvers' Success

Athens AKROPOLIS in Greek 30 Aug 86 p 8

[Excerpts] Yesterday our Army "invaded" enemy-held territory. Within 3 hours it had occupied the impregnable fortresses of the "enemy." Naturally, the battle could have been waged with live ammunition, but the "enemy" consisted of fictitious targets.

Yesterday noon the last phase of the great "Filippos 2/86" maneuvers took place at Polykastra in the presence of the minister and vice minister of National Defense.

The maneuvers were carried out within the framework of the yearly training of the units and began on 26 August and lasted 4 days.

Participating in the exercise were Army and Air Force units with a total of 883 officers, 163 of whom were reservists, and 7,723 soldiers, 3,539 of whom were reservists, who had been recalled under the framework of the rotation training of reservists.

During the exercise the process of cooperation between the Army and Air Force forces were tested in a most realistic manner, as was the coordination of the operations of the participating units.

The last phase of the maneuvers, which consisted mainly of a counterattack by our troops against "enemy" forces, took place yesterday.

Coordination

Yesterday at 10:15 hours Lt. General Panagiotis Markopoulos, commander of the II Army Corps and in command of the exercise, gave the signal to commence the final phase immediately after Minister Kharalambopoulos' and Deputy Minister Papstratis' arrival at the observation post.

What must be pointed out particularly was the harmonious cooperation of the units during the exercise, the accuracy of the artillery fire and the gun crews, as well as the success of the call-up of the reservists. The morale of the conscripts as well as that of the reservists was particularly impressive.

Just prior to its conclusion, the synchronization and demonstration created quite an impression. That is when the helicopters transported large numbers of soldiers to one side of the hill, while on the other, C-130 transport aircraft dropped ammunition, rations, modern equipment and 224 paratroopers, who landed with precision at the predetermined spot.

In addition to the minister and deputy minister, the exercise was witnessed by the high command of the Army and Air Force, as well as division commanders, the prefect of Kilkis Nome, the archbishop, the mayors of the towns of the area and a large crowd.

One thousand four hundred sixty-six vehicles and tanks, which travelled a total of 250,000 kilometers, took part in the maneuvers.

'Leopard' Tanks' Accuracy

Athens I VRADYNI in Greek 2 Sep 86 p 3

[Excerpts] The "war climate" that prevailed in Central Makedonia during the past 3 days ended yesterday with the retaking of friendly territory and the review that signaled the conclusion of the great "Filippos 2/86" maneuvers in which a large number of reserve officers and men took part.

Participating in the exercise were motorized infantry units, armored vehicles, paratroopers, helicopters and aircraft of the Air Force.

The accuracy of the German "Leopard" tanks was impressive, as was that of the artillery units. Additionally, the drop of paratroopers, who had been transported from Aspropyrgos in C-130 aircraft, was effected with great precision despite the difficult terrain, while, at the same time, an infantry company, transported by helicopters, occupied the surrounding high ground.

Aircraft of the Air Force took part in the exercise by attacking ground targets. According to calculations of those in charge of the exercise, during its 3-day duration, 1,466 tanks and vehicles were used and travelled a total of 250,000 kilometers.

9731

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MILITARY

GREECE

CONTRACT OBTAINED FOR PHANTOM AIRCRAFT REPAIRS

Athens TA NEA in Greek 28 Aug 86 p 2

[Text] The Greek Aircraft Industry (EAV) achieved great international success by obtaining a contract for the maintenance and support of the power plants of all the US Air Force F-4 "Phantoms" in Europe.

The agreement was announced yesterday by the president and managing director of EAV, Prof. Panagiotis Fotilas, who pointed out that the company has been awarded the contract--which amounts to 14 million US dollars--after difficult negotiations during which it had to face stiff competition from the best known aircraft maintenance industries in Europe and the wider Mediterranean area: West Germany, Great Britain, Portugal, Spain, Italy, Israel, Turkey, etc.

The undertaking once again of this program--Mr. Fotilas pointed out--constitutes a recognition of EAV and a reward for the results it achieved during a similar program that had also been awarded to EAV.

The new program, in addition to the financial benefits and employment it ensures, established the EAV as the best maintenance unit for this type of power plant (J-79) because not only do the American Air Force, but the British as well, entrust their power plants to it. As Mr. Fotilas emphasized, "The quality of work provided by EAV for these power plants, which have a high priority for operational readiness, has been repeatedly recognized by the US Air Force."

The entrusting of this repair work--whose duration is for 5 years--is indicative of the new climate that prevails in the US-Greek relations as officials involved believe and they also attribute it to the negotiations for the offset benefits for the F-16.

Finally, it should be pointed out that the EAV recently undertook the modification and maintenance of NATO's guided missiles and radar, a fact which indicates that the firm has established itself on the same level as the most important international military materiel industries.

9731

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MILITARY

GREECE

BRIEFS

PYRKAL AMMUNITION SALES QUESTIONED--ND Deputy I. Palaiokrassas is again bringing up the question of the order for 580,000 105-mm grenades by Iraq, which the government implemented by reducing the stocks of the Greek Army. Palaiokrassas is now accusing PYRKAL of importing from abroad large quantities of equipment that it is able to manufacture locally in order to satisfy existing orders, thus wasting precious foreign exchange. Palaiokrassas stressed that "from the productive industry that it was before, PYRKAL, following the brouhaha caused by the borrowing of ammunition from army stocks, has become today an international ammunition middleman with a difference: instead of deriving earnings from it, it is losing huge sums of money, which are paid by Greek taxpayers." The former minister of coordination's interpellation creates an important issue regarding the disposition, management and production of war materiel by the "nationalized" PYRKAL. The answer of the government is therefore awaited with great interest. [Text] [Athens I KATHIMERINI in Greek 27 Sep 86 p 1] /9599

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