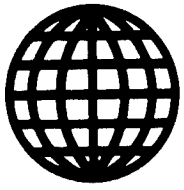


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DENMARK

Business Magazine Picks Rising Stars in Political Parties

36130063c Copenhagen BORSENS

NYHEDSMAGASIN in Danish 4 Sep 87 pp 15-17

[Text] BORSENS NYHEDSMAGASIN made a survey of what kind of candidates voters will find on the ballot in the Folketing election on Tuesday [8 September 1987]—and selected a typical candidate for each party.

The typical Folketing candidate is a 45-year-old man running for office in the provinces.

Mr Average is a salaried employee in the public sector and has an average educational background. He has 4 years of experience in the Folketing or on city or county councils and has held positions of trust in his party for 10 years. He ran as a candidate for his party in the last election. He lives with a companion (spouse) and has no small children, but typically has one child between the ages of 10 and 18 living at home. He lives in his own home and the household income is around 311,000 kroner.

Facts About the Survey

Basis: Folketing candidates nominated by these parties: the Social Democrats, the Radical Liberals, the Conservatives, the Socialist People's Party, the Danish Communist Party, the Center Democrats, the Christian People's Party, the Liberals and the Progressives.

Number of responses: 489 out of 870.

Weighting: none.

Interview form: questionnaire.

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Social Democratic Party

Social Democratic candidates do not differ much from Mr Average, although there is a relatively large number of academics and candidates with an average educational background. The Social Democrats have fewer skilled and unskilled workers than several other parties. On the other hand, the party has nominated more leaders outside the private business sector than any other party.

Typical Social Democratic Folketing candidate: Helen Beim, Roskilde district, 44 years old, school teacher, married, three children aged 14, 17 and 22, has held party posts for 18 years.

"I have learned the political trade from the ground up through municipal politics. Gundso is a middle-class community, but we have negotiated our way to influence," said Helen Beim, who was chairman of the municipal technology and environmental committee during the last election period.

"I stressed that it was an environmental committee and if I am elected to Christiansborg I will also go to work on environmental problems."

Political work cost Helen Beim her career.

"I was in a promotion position as instruction leader but when I ran for mayor (without being elected), I decided to ease up on my professional activity. Luckily, it is easier for a woman to take a step backward on the career ladder," said Helen Beim.

Socialist People's Party

The Socialist People's Party [SF] is Denmark's women's party and has also nominated many workers. The average educational level is strongly represented—as it is in most parties.

Typical SF candidate: Agnes Munkhoj Nielsen, West Alborg, 42 years old, kindergarten instructor, lives alone, two children aged 10 and 13, has held party posts for 6 years.

"There is a clear connection between my work at a school for the hearing-impaired and my political involvement. Minorities do not fare well enough and I would like to do something about that."

Agnes Munkhoj Nielsen is single, which is true of less than a quarter of the SF candidates.

"It can be difficult. I would prefer to have my actions match my beliefs and it is hard to be away from the children in the evening. But now they are old enough to accept that."

Liberal Party

Over half of the Liberal candidates are salaried employees while 18 percent are self-employed. The party has nominated highly-educated people while there are as few skilled and unskilled workers on the Liberal ticket as there are on the Radical Liberal ticket.

Typical Liberal candidate: Jens Skrumsager Skau, Give district, 44 years old, agricultural degree, office manager for the Agricultural Council and member of the Folketing, married, children aged 11, 15 and 18, has held posts in the party and in Liberal Youth for 10 years.

"It is important to know the central administration. I did so before I entered the Folketing through my work for the Agricultural Council and the 6 years I worked in

Brussels has often provided a good ballast," said Jens Skrumsager Skau, who kept his job with the Agricultural Council after he entered the Folketing in 1984.

"It is difficult to say whether political involvement leads to career problems. It depends entirely on whether one is re-elected and how long one continues." Jens Skrumsager Skau was a Folketing candidate for only a month before he was elected in January 1984. At the end of his first period, he says there has been "more instability in everyday life than I had expected."

Danish Communist Party

The Danish CP candidates are the youngest and have the most young children. Candidates have a lot of experience in party work and many of them hold union or unemployment fund offices.

Typical Danish CP candidate: Mogens Vibe, Lejre district, 39 years old, mason, currently union chairman, live-in companion, two children aged 9 and 19, has held party posts for 7 years.

"There are far too few workers in the Folketing. It would be an excellent thing if more workers came in," said Mogens Vibe, whose primary political interests are income redistribution to help those at the bottom and stronger state control of the business sector.

"It takes an incredible amount of energy to be active politically. One cannot sell a viewpoint without studying up on it and I really think people expect more from Communists than from others. It is costly for the children, but it is also an advantage for them that we are involved, so you might say that we both neglect and enrich them."

Radical Liberal Party

The Radicals nominate the most academics and many of their candidates are self-employed. There are almost no skilled or unskilled workers and the party lies in the middle of the spectrum with regard to the number of women.

Typical Radical candidate: Marianne Jelved, Roskilde district, 43 years old (her 44th birthday is tomorrow, 5 September), education degree, elementary school teacher and a temporary employee of Denmark's Teacher's College, married, two children (the youngest is 15), municipal councillor for 5 years, has held party posts for 5 years. "It is an advantage to have experience in municipal politics. Gundso is a small rural district but it also has development problems because we are so close to Copenhagen," said Marianne Jelved.

"The family has become used to the fact that I am away quite a bit. When the children were smaller, I was continuing my education, and I have held several offices. They keep up with what I am doing. I also try hard not to

neglect the school work even though it is difficult to live up to this principle 100 percent. But I try to set priorities and I have turned down several things in municipal politics."

Center Democratic Party

The typical Center Democratic [CD] candidate is close to 50. He is a salaried employee with an average educational background and lives in a condominium.

Typical CD candidate: Poul Torbensen, West Odense district, 48 years old, residential school principal at the Technical School in Odense, smith, teacher training, married, two grown children, former Funen County chairman for 3 years.

"I have never given up working with young people. It started with handball at the YMCA and continued at the technical school. I have also been a prison service supervisor. It is a good ballast for familiarizing myself with social and young people's problems," said Poul Torbensen.

"It is hard to be a candidate for a small party. We have received only 1,000 kroner to spend on the campaign. We must take what we can from the household budget. This isn't really a big problem but it doesn't allow us to run big ads either." Poul Torbensen has received full support from his colleagues who have taken over some of his duties during the election campaign.

Conservative Party

A third of the Conservative candidates are independent businessmen. They are younger than the average, but have a higher gross income. The Conservatives also have many academic candidates. More than half the candidates have 15 or more years of party work behind them.

Typical Conservative candidate: Jorgen Friis, Ostre Storkreds, 47 years old, business degree, certified public accountant, self-employed, married, one 15-year-old child, municipal councillor for 4 years, has held party posts for 15 years.

"There are far too many public employees in the Folketing. It would be good to get more self-employed people in. There is a need for people who can think independently," said Jorgen Friis, who has no chance of winning a seat in the 7th ward of Ostre Storkreds.

"I couldn't accept a safe district if I were offered one. It would have a devastating effect on my business. I became self-employed in 1983 and it would be very hard to find a replacement while I was a member of the Folketing. That is annoying. At the moment it does not take too much of my time. I keep my work at a reasonable level and I am very satisfied to have a platform for expressing my opinions," said Jorgen Friis, who has argued against the property tax.

Christian People's Party

Christian People's Party candidates typically have an average educational background. Household incomes are generally low and nine out of ten are married. Quite a few have ties with church activities as parish clerks, ministers or home missionaries, for example.

Typical Christian People's Party candidate: Henning Lysholm Christensen, Skjern district, 45 years old, employed by the National Association of Christian Free Schools, teacher training, 1 year of educational studies in Norway, degree in education from Denmark's Teacher's College, married, two children aged 14 and 16, has held party posts for 10 years.

"I am very pleased that we had a short campaign. Otherwise it would have been hard on my family. In a small party being a candidate is a comprehensive and mixed effort. One has to help with everything," said Henning Lysholm Christensen, who said he did not run for office when the children were smaller.

"It would have gone against what I believe in. What children need is time and more time."

Progressive Party

The Progressive Party candidates are the oldest. The typical candidate is self-employed and only one in ten has children under 10, the lowest number among all the parties. The Progressive Party is also last when it comes to household income and 29 percent have no vocational training.

Typical Progressive candidate: Helge Dohrmann, Haderslev district, 48 years old, summer cottage landlord, married, two children aged 15 and 17, member of the Folketing since 1973, has held party posts since 1973.

Helge Dohrmann went to Greenland after completing his military service and worked there for 2 years as a bulldozer operator. For the next 6 years he was a self-employed contractor in Greenland and when he came home in 1971, he invested his savings in summer houses.

"It is a good background for Christiansborg. All young people should travel abroad, for we tend to be somewhat self-satisfied by nature. The more one has tried the less overspecialized one becomes. For example a farmer concentrates almost exclusively on agricultural problems, so I think I have a good background.

"It is clear that I could have used the years I spent in the Folketing to build up a business instead, but running for office is voluntary, so I don't think I have sacrificed anything. On the contrary I have seen many countries,

acquired insight into many things and made contact with many people. It has been a way of life for the children, and I have seen more of them than seamen and salesmen see of their children."

06578

Left Opposition in Disarray Over Economic Policies

36130063a Copenhagen BORSENS

NYHEDSMAGASIN in Danish 4 Sep 87 pp 31, 33

[Article by Hans Korno: "Opposition in Trap"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] With the lightning election Schluter has prevented the opposition from using the approaching economic slowdown as ammunition.

Prime Minister Poul Schluter has caught the opposition in a trap. For once all the economic forecasters—including the government's own advisers—are pointing in the same direction: the Danish economy is headed for a serious slowdown. But by scheduling the election as early as 8 September, the government has made sure that the repercussions will not be an important theme in the election campaign. For they have not shown up in the statistics—yet.

Not only has the computer conflict prevented the latest figures from reaching the public, there are also indications that the slowdown in the Danish economy will not occur right away and will not become evident until later than most economists anticipated.

This is the vise that the opposition is caught in. The government can boast of the many positive developments in the economy that have taken place in the last 4 or 5 years. The state deficit has been reduced. Economic growth is high. Employment has risen and unemployment has declined. The investment level has been high, inflation seems to be under reasonable control and best of all, this can be borne out by the latest statistics.

Even when the enormous foreign deficits of recent years are brought up, the government can respond with enviable calm. Again figures can be quoted to show that the foreign deficit is now declining sharply.

In contrast the opposition must resort to saying—also correctly and with conviction—that the period of high growth rates, rising employment and constantly increasing consumption for large parts of the population is now over—at any rate for the foreseeable future. But the opposition is having a hard time, for so far the problems can be seen primarily in economic forecasts.

If the prime minister had waited to hold an election until later in the year the statistics would have shown that the economy was in the middle of a major slowdown and the

opposition would have had quite different and well-founded ammunition to aim at the government's economic policies. But by scheduling a lightning election Schluter neatly avoided this exposure.

Instead, the politicians have been given a unique chance to indulge in all kinds of arguments and statements. They will probably all turn out to be correct, depending on whether one looks backward or forward in time.

Expected Rise in Unemployment Not Yet Visible

The perfect timing is most clearly expressed in one of the main issues in the election—the more than 220,000 people who are out of work. All the economic predictions indicate that unemployment will rise sharply both this year and in 1988. The table shows a unanimous prediction by such a reliable cross-section as the Economic Affairs Ministry, the Labor Movement Job Council, the Finance Ministry and the Council of Economic Advisers that unemployment will rise substantially this year. From an average unemployment level of 220,000 in 1986 to between 235,000 and 250,000. And next year the situation will just get worse. The predictions for next year call for an unemployment level of 265-311,000.

The public is also expecting this increase. The Danish Bureau of Statistics' June survey of consumer expectations for the near future shows that the number of people who expect a very large increase in unemployment next year rose sharply compared to the number of people who felt that way in past months.

But at the moment the figures do not bear this out. The last report from the Danish Bureau of Statistics shows an unemployment level of 207,600 in May. A good result that is only a scant 3 percent higher than the figure for the same month last year. In addition, most people have not noticed any big difference, primarily because of the traditionally high employment level in the summer months.

The reports of how many people are employed point in the same direction. According to surveys based on the quarterly employer payments to the Workers Supplemental Pension Fund [ATP], the number of employed people shot up in the second quarter of the year. Some 39,000 more people were working and the Danish employment level reached a total of 1,987,300, approximately 18,000 more than the previous year and 205,000 more than when the government took office. Although many economists question the accuracy of these employment figures, the tendency seems clear.

Dependence on Other Countries Imposes Narrow Limits

And the government also holds the strongest cards prior to the election when it comes to the country's second big balance problem, the balance of payments deficit. Last year's catastrophic deficit of 34 billion kroner will not be repeated. At this time trade figures are available only for

the period up to and including April and the first 4 months showed a foreign trade surplus of 529 million kroner. A clear improvement compared to the same period last year when there was a deficit of 6.3 billion kroner. The improvement is not due to increased activity on export markets, however, but is a result of a decline in both imports and exports of 13 and 2 percent respectively.

However the positive trade balance is more than offset by the very large interest payments on the foreign debt. Thus the total balance of payments deficit was 3.5 billion kroner in the first quarter of the year. A clear improvement compared to the year before when the deficit amounted to 8.1 billion kroner.

The table also shows the economists' predictions for the foreign deficit. This year they are talking about a deficit of between 17 and 27 billion kroner. There is great uncertainty as far as 1988 is concerned, but everyone expects the deficit to become even smaller.

An even clearer picture of the fact that the economists anticipate a marked slowdown is shown in the forecasts of overall economic growth. It can be seen in the table that all the economists anticipate a direct decline in total production this year. The largest downturn is predicted by the international cooperation organization, OECD, which expects the Danish gross national product to decline by more than 1 percent. As usual the Economic Affairs Ministry is slightly more positive but they also anticipate negative growth. Apparently things will not be much better next year, when everyone is predicting less than zero growth.

Estimated Growth of GNP
in Percentages

Source	1987	1988
Economic Affairs Ministry	-0.25	--
Council of Economic Advisers	-0.6	-1.2
Labor Movement Job Council	-0.8	-0.8
OECD	-1.3	-0.1
Finance Ministry	-0.2	--

Estimated Unemployment

Source	1987	1988
Economic Affairs Ministry	235,000	--
Council of Economic Advisers	250,000	311,000
Labor Movement Job Council	236,000	265,000
Finance Ministry	235,000	265,000

Estimated Balance of Payments Deficit
in Billions of Kroner

Source	1987	1988
Economic Affairs Ministry	-21.5	--
Council of Economic Advisers	-17.3	- 8.7
Labor Movement Job Council	-26.5	-21.0
Finance Ministry	-21.5	--

The occurrence of such a violent economic shift is due to many different things and of course the economic policy pursued will also play a part. But by far the most important reason for the fact that the economy is changing so sharply is the very weak development in international business conditions. A total growth of as little as 2 percent is predicted for Western Europe. And with Denmark's great dependence on foreign trade this will have a strong impact on the country's overall economy. Each time growth in the countries we trade with declines, both unemployment and the balance of payments deficit rise in Denmark.

This very great dependence on other countries means that economic policy in Denmark can only be pursued within narrow limits. And that is true whether the prime minister after Tuesday is Anker Jorgensen, Poul Schluter or—Preben Moller Hansen.

06578

Metalworkers Union Chief Georg Poulsen on Political Role

36130063b Copenhagen BORSENS
NYHEDSMAGASIN in Danish 4 Sep 87 pp 50, 51

[Interview with Georg Poulsen, president of the Danish Metalworkers Union, by Hans Boving and Ole Schmidt Pedersen: "Socialist People's Party Must Dirty Its White Gloves"; date and place not given; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] The Socialist People's Party [SF] must be made to assume responsibility by engaging in government cooperation with the Social Democrats, in the opinion of Georg Poulsen, president of the Danish Metal Workers Union. In this interview he gives his views on practical politics and cooperation after the election—and sharply attacks the business leaders: "They claim to be intelligent but lack the stature to unite on a national level."

[Question] Who will form the government after 8 September?

[Answer] If the election leads to a combined majority for the Social Democrats and SF they should form a government. I have no faith in SF as a support party. That would cast the Social Democrats into the arena to seek majorities left and right. It is our firm conviction that the Social Democrats must become stronger because it is vital for a government cooperation and also because SF's political positions on several matters differ from those of the Social Democrats.

[Question] You want to make SF more directly responsible?

[Answer] Yes. SF is wearing white kid gloves. The party has behaved in a totally uncommitted way and has quite often remained aloof from broad political compromises. It acts as if it is pure—without any responsibility for this

or that. Think of 1979 when SF backed out and we ended up with a big political compromise where Anker Jorgensen had to withdraw the Economic Democracy [OD] proposal.

[Question] How can you trust SF as part of a government when the party is irresponsible?

[Answer] When people are given responsibility, they often grow as a result of the commitment. Some can live with it, others perish.

[Question] Don't you think it is difficult to regard a partially irresponsible SF and a declining Social Democratic Party as a viable alternative to the nonsocialist government?

[Answer] The Social Democratic Party will continue to be a major party. We have the policies, but instant solutions won't work. It will be a tedious job and some people are in for a rude awakening. They are the ones who believe that as long as we change governments we will start with a clean slate. We will still have a balance of payments deficit and a foreign debt.

The Danish Metal Workers Union said the same thing in 1982. We are still annoyed about our relinquishment of political power: We were the only union at Marienborg on 9 August 1982 to ask Anker Jorgensen to keep going.

[Question] Who will be prime minister if the Social Democrats form a government?

[Answer] Anker Jorgensen, of course.

[Question] If the Social Democrats do not form a government, will the party start discussing the leadership question?

[Answer] Anker Jorgensen is 65 years old. Therefore, the question of who will lead the party when Anker reaches retirement age will be discussed during the next Folketing period.

[Question] What is the Metal Workers Union's answer to the employment problem?

[Answer] The election campaign will intensify the differences of opinion on business and industrial policy, but it should be possible to achieve broad agreement on what should be done. On the basis of my work on the industrial policy contact committee I see no great disagreement on business and industrial policy. All right, the government has taken too long to establish the research fund, for example.

Further confrontations will not solve the problems we have. If the Liberals are strengthened, reactionary forces that have it in for the established labor movement, will acquire power and then we will have more confrontations.

[Question] Do you want a broad agreement on business policy?

[Answer] Yes, this country needs consensus agreements in all areas. We need more broad compromises.

Business leaders also have a responsibility. They have the strange idea that they cannot agree. They often claim to be intelligent, well educated and all that sort of thing. But they seem to lack the stature to unite on a national level in the areas where we have the knowledge and the strength. For example, it is preposterous to sell Sadolin & Holmblad to a foreign concern when the Danish paint and enamel factories should have join forces. The Swedes are able to do that kind of thing—they merge with Brown Boveri and form a European concern.

[Question] Are Swedish business leaders more open-minded than their Danish counterparts?

[Answer] The Swedes are internationalists, but they are Swedes first of all and that affects everything they do. We could learn something from them in Denmark.

When I was part of the Gyllenhammer group, Percy Barnevik, now head of the new Swedish General Electric Company [ASEA] Brown Boveri, proposed Nordic system exports that could have provided 60-70,000 new jobs. The Danish Metal Workers Union has long advocated system exports, but the employers and the Industrial Council said no. They do not want a combination of public and private interests. But when ideology is in the driver's seat, the car won't move.

[Question] Do you advocate state production?

[Answer] I advocate a correlation between public and private production. We have figures in the environmental area showing that environmental requirements amounting to 3.5 billion kroner have been imposed on some firms in recent years, while other firms have achieved sales and exports totaling 3.1 billion kroner with respect to these requirements. That is an example of increased correlation providing greater possibilities.

[Question] The Metal Workers Union says there is a "hole" in the budget amounting to 4 billion kroner. The Social Democrats want to increase public spending by 7 billion. Who is going to pay the 11 billion kroner?

[Answer] We will all contribute. It is a popular idea that we can be content to tax the millionaires and impose fees on stock and bond transactions. We will all feel this through direct and indirect measures. I am just afraid that a nonsocialist government will not take the social considerations into account the way the Social Democrats would.

[Question] Regardless of the political shade of the government, will it be forced to implement income policy measures after 8 September?

[Answer] I am sure it will.

[Question] How do the Metal Workers feel about devaluation?

[Answer] It is like wetting your pants. It feels warm at first, but it cools off very quickly.

06578

FEDERAL REPUBLIC OF GERMANY

Emnid Poll on Political Situation in April

Popularity of Politicians, Parties

36200111 Hamburg DER SPIEGEL in German
25 Apr 88 pp 24-31

[Article: "Is the FDP's Success Trend at an End?"]

[Text] March 20 was the blackest election day for the FDP in the last 3 years. April is the blackest poll month for that party since the Chernobyl shock 2 years ago.

On the black election day: From spring of 1985 onward, the FDP had been the only party to receive more votes than before in each of ten Land parliament elections. The 11th election in Baden-Wuerttemberg last month abruptly stopped this trend.

Here in its heartland, where once it had managed to get 18 percent, it did badly as never before with 5.9 percent. And no other party remained as far from its election goal as the Liberals who had wanted to break the last absolute majority of the CDU in Baden-Wuerttemberg and, after 20 years in the opposition, to govern jointly. The dream is over.

On the black poll month: In the April tables of the Emnid Institute, the Free Democrats cannot find a single figure which might satisfy them or make them happy.

Within 2 months, the FDP lost one out of every four adherents. For almost a year they could enjoy two-digit results—between 10 and 12 percent—when Emnid asked its "Sunday question." But in March the FDP figures dropped from 12 to 10 percent, and in April from 10 to 9 percent.

No other party had the same or similar experience. The CDU/CSU even increased its share from 40 to 42 percent, while the SPD has been stagnating for the fifth month at 40 percent. The Greens, with a decline from 8 to 7 percent, have nothing to worry about as yet.

Only for a short while could the FDP point out that, if need be, they would have enough for a different government majority. From December 1987 to March 1988, the SPD and FDP together managed 50, 51, or even 52 percent.

But now one no longer has to speculate whether and when such an arithmetic majority could be turned into a political one. By simple arithmetic [reference to Adam Riese, a 16th-century German mathematician], there is no longer enough.

Further damage to the FDP in April: Bangemann and Lambsdorff, their present and potentially future chairmen, are the only Bonn politicians for whom a considerably smaller number of German citizens than in February wish an "important role." Similar losses were suffered only by one southern and one northern luminary: by super-Bavarian Strauss, because he was heard too much on a nationwide level, and Engholm of Schleswig-Holstein, because too little was heard from him.

Strauss' trumpeting in the direction of Bonn pained several ears. And Engholm's dulcet tones at home, more a peacemaker than an election campaigner, do not penetrate beyond the Land borders. His fame as a future election victor (according to Emnid, he is considered that by most citizens) has already waned before the votes will be counted on 8 May (also see pages 35 and 39 on the elections in Schleswig-Holstein).

The fact that only about every third citizen wants a future with Bangemann is a direct consequence of his public posture.

A party chief who will not say whether he will stay in Bonn for the sake of the party or go to Brussels for the sake of money and rest, is included in future political plans only by party varlets. And as chairman subject to recall, he contributes to the tendency that some FDP adherents do not feel any closer to their party than he does to his office. They take the liberty of deciding whether to stay with the FDP or turn to the CSU/CDU, unburdened by loyalty or remorse.

The fact that FDP politician Lambsdorff, of all people, made pronouncements about a new coalition with the SDP—he who had most actively destroyed the old one—may have increased the count's internal party chances of being elected as FDP party chief; but his credibility has declined as indicated by the citizens' reaction.

But not yet enough of negative FDP results: The opinion climate worsened only for the smaller of the governing parties. It was always only a minority which called the mood "especially favorable" for the FDP. But in recent months, this number dropped further, from 21 percent in February to 18 percent in March, and 14 percent in April.

And finally: The FDP's chances to gain votes in the election in Schleswig-Holstein the Sunday after next had never been rated high by FRG citizens. Emnid asked that question four times, and the prognosis for the FDP worsened continually, from 32 percent who last October counted on vote gains to 24 percent in December, 21 percent in February, and 15 percent in April. Only the

CDU, led into a spectacular scandal by Barschel, is given a chance for better results by even fewer citizens (9 percent) than in the September election.

Moreover, the FDP must fear for every vote in the Land between the Baltic and North Seas [Schleswig-Holstein], since it barely managed to get over the 5-percent hurdle in September. Had it received only 3,100 votes less, it would have stayed outside the door of the Land parliament.

It is of little help to the FDP either in Schleswig-Holstein or in Bonn that its former chairman, Genscher, has been at the top spot eight times when Emnid asked who out of 20 politicians should play an "important role." The ex-chief has his firm place in the heaven of popular favor, completely independent of how well or how poorly his party fares in the nether regions of everyday political life. For many FRG citizens, Genscher and the FDP have as little in common as Schmidt and the SPD during the Hamburg Social Democrat's last years as chancellor.

Should the FDP in Schleswig-Holstein die a parliamentary death on 8 May, or if it would have to occupy the opposition benches with the CDU, this would probably have consequences reaching far beyond that coastal Land.

Land parliamentary elections in the FRG are practically never just regional events; rather, they strengthen nationwide opinions and trends, or even change them.

This became particularly evident in the Lower Saxony election of June 1986 when the bourgeois parties gained the narrowest majority possible (78 seats versus 77 of the opposition SPD and Greens). This victory helped the CDU/CSU and the FDP nationwide to climb out of the political trough into which they had fallen after Chernobyl.

The Baden-Wuerttemberg election made winner Spaeth, in addition to Rita Suessmuth, the new CDU star on the national stage. Half, and sometimes much more than half, of FRG citizens had always wanted an "important role" for him, but Emnid ascertained a two-thirds majority for him for the first time in April.

For many years now, the FDP has been buoyed by the widespread dislike of absolute majorities, for it was and still is willing to prevent everywhere the sole rule by one party. But if an absolute majority is as effectively personified as that of the CDU in Swabia by Spaeth, then it loses its terrors for many.

The election of 20 March had a negative effect nationwide on the FDP and a positive one for the CDU/CSU not only in this regard. Says Klaus-Peter Schoepner, who directs SPIEGEL polls in the Emnid Institute: "It is a rule with only few exceptions that a party which is victorious in one Land also gains popularity nationwide."

Table 1: The Large Ones Grew Smaller

In 10 out of the last 11 Land parliamentary elections, the CDU and CSU lost voters, and the SPD lost voters in 6 out of 11 federal Laender. The figures (in percent compared to the previous election):

CDU in Bavaria CSU		SPD
-6.7	Saarland (March 1985)	+3.8
-1.6	Berlin (March 1985)	-5.9
-6.7	North Rhine-Westphalia (May 1985)	+3.7
-6.4	Lower Saxony (June 1986)	+5.6
-2.5	Bavaria (October 1986)	-4.4
+2.7	Hesse (April 1987)	-6.0
-6.8	Rhineland-Palatinate (May 1987)	-0.8
-1.4	Hamburg (May 1987)	+3.3
-6.4	Schleswig-Holstein (September 1987)	+1.5
-9.9	Bremen (September 1987)	-0.8
-2.8	Baden-Wuerttemberg (March 1988)	-0.4

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Table 2: The Small Ones Grew Larger

The FDP gained voters in 10 out of the last 11 Land parliamentary elections, the Greens in 8 out of 11 federal Laender. The figures (in percent compared to the previous election):

FDP		Greens
+3.1	Saarland (March 1985)	-0.4
+2.9	Berlin (March 1985)	+3.4
+1.0	North Rhine-Westphalia (May 1985)	+1.6
+0.1	Lower Saxony (June 1986)	+0.6
+0.3	Bavaria (October 1986)	+2.9
+0.2	Hesse (April 1987)	+3.5
+3.8	Rhineland-Palatinate (May 1987)	+1.4
+1.7	Hamburg (May 1987)	-3.4
+3.0	Schleswig-Holstein (September 1987)	+0.3
+5.4	Bremen (September 1987)	+2.4
-1.3	Baden-Wuerttemberg (March 1988)	-0.1

In the so far latest election, the FDP as well as the Greens for the first time lost voters in Baden-Wuerttemberg. There is also a trend in favor of even smaller parties which are called "others" in election statistics. They increased their share in Schleswig-Holstein by 1.5 percent, in Bremen by 2.8, and in Baden-Wuerttemberg by 4.7 percent.

But in view of the recent chaos in Bonn, the success in Baden-Wuerttemberg cannot be the only reason for the 2-percent gain of the CDU/CSU equalling 900,000 adherents. There are two additional reasons.

One reason: When the CDU/CSU dropped to 40 percent in February, evidently the nadir had been reached. "The Union parties were in such bad shape that it could only get better" (Schoeppner). Figures below 40 percent would mean political bankruptcy for this party which, under Chancellor Adenauer, once attained 50.2 percent in the 1957 parliamentary [Bundestag] election and was only brought down to 44.5 percent in 1980 by candidate Strauss, and to 44.3 percent by Chancellor Kohl in 1987.

With its 42 percent in April, the CDU/CSU is pretty much in the middle between its worst poll result so far and its election result, the worst since 1953.

The other reason: Between CDU/CSU voters and those of the FDP, there is more switching than politicians would like to see. The parties are less sure of their adherents than formerly.

In half-way normal times, this switching takes place almost exclusively within one's own camp: One party gains what the other one lost. From December 1986 to August 1987, for example, the number of FDP adherents fluctuated strongly between 6 and 10 percent; for the CDU, Emnid ascertained 43 to 47 percent. But together, these two parties during all these months maintained a steady 53 or 54 percent.

This only changes drastically when important events (such as Chernobyl) cause political turbulence, or if the appearance of "one's own" government camp darkens beyond the customary gloom and the future no longer appears gray, but black. Then so many citizens switch from the government to the opposition camp that it makes a difference statistically and politically.

The weeks of prattling by some FDP politicians, and not meant seriously, about a future change of partners has done double damage to their party. Some frightened conservative adherents switched to the CDU/CSU, and the remaining voters are more critical of the Bonn coalition than befits Bangemann's "cuddle course," as commentators like to call the political line of the FDP chief.

When the FDP shared the government with the SPD, about one-third of its adherents would have preferred a coalition with the CDU/CSU. Since the 1982 Bonn turnaround, there is now a minority of FDP voters who mourn after the coalition with the SPD and wish it back.

In January 1987, the month of the last federal parliamentary election, this minority seemed to have shrunk to a barely noticeable remnant. The question regarding

their preferred coalition was answered by 79 percent of FDP adherents in favor of a coalition with the CDU/CSU, and only 14 percent favored a coalition with the SPD. It was 6 to 1.

Since then, there has been a strong trend which completely shifts these proportions. In February of this year, for every three adherents of the coalition with the CDU/CSU there were two voters favoring a coalition with the SPD (45 to 32 percent). And this month, Emnid found 40 adherents of the one coalition and 35 adherents of the other coalition. It is almost 1 to 1.

On the other side, among SPD adherents there is also a trend toward rapprochement: at first only 28 percent, but now 52 percent see the FDP as their favored partner.

The FDP faces a dilemma which one could overstate in this fashion: The more voters it loses to the CDU/CSU, the less are its chances to get over 50 percent, together with the SPD, and to change coalition partners; but because of the loss of primarily conservative adherents, among the remaining voters the share is growing of those who wish such a change.

With a number of questions, Emnid tried to find out from the viewpoint of CDU/CSU voters and FDP adherents what shape the Bonn coalition is in. On some points the opinions of the adherents of the partner parties diverge widely.

Only 27 percent of the Union adherents, but 42 percent of FDP voters believe that the "coalition will not last much longer." The opposite opinion, that there is still a sufficient "store of solidarity," was thus supported by a great majority of CDU/CSU voters, but only by a small majority of FDP voters (72 versus 55 percent).

And there are also differences when the question is asked, which of the three Bonn government parties has too much or too little influence. The adherents of the CDU and CSU are rather satisfied with the role of their parties, while every second FDP voter declares himself dissatisfied. In another regard, however, the voters of the FDP and the CDU are in agreement: namely, that the Bavarian CSU has too much influence.

For the CDU/CSU, this month's SPIEGEL poll brings no alarming news, but—with the exception of an increase in voters—hardly any good news, either. This is also true with a view to the future.

A dozen questions were devoted to the so-called factual subjects which Kohl and his people soon want to move into the limelight more than previously: tax reform and health care reform, which are to be decided definitively in parliament, and the battle against abortion to be waged by the Christian parties.

Table 3: FDP Voters: Their Own Chief in 8th Place

FDP adherents judge politicians less by their party book than do the voters of other parties. This is the sequence of 20 politicians on the Emnid list, arranged according to the frequency with which FDP voters want an "important role" for them:

- | | |
|---------------------------------|--------------------------------|
| 1. Hans-Dietrich Genscher (FDP) | 11. Helmut Kohl (CDU) |
| 2. Lothar Spaeth (CDU) | 12. Klaus von Dohnanyi (SPD) |
| 3. Rita Suessmuth (CDU) | 13. Oskar Lafontaine (SPD) |
| 4. Norbert Blum (CDU) | 14. Hans-Jochen Vogel (SPD) |
| 5. Otto Graf Lambsdorff (FDP) | 15. Heiner Geissler (CDU) |
| 6. Franz Josef Strauss (CSU) | 16. Walter Wallmann (CDU) |
| 7. Bjoern Engholm (SPD) | 17. Friedrich Zimmermann (CSU) |
| 8. Martin Bangemann (FDP) | 18. Joschka Fischer (Greens) |
| 9. Johannes Rau (SPD) | 19. Jutta Ditfurth (Greens) |
| 10. Gerhard Stoltenberg (CDU) | 20. Edmund Stoiber (CSU) |
-

Table 4: CDU/CSU Voters: First Social Democrat in 13th Place

CDU/CSU adherents judge politicians more by their party book than do the voters of other parties. This is the sequence of 20 politicians on the Emnid list, arranged according to the frequency with which CDU/CSU voters want an "important role" for them:

- | | |
|---------------------------------|--------------------------------|
| 1. Helmut Kohl (CDU) | 11. Friedrich Zimmermann (CSU) |
| 2. Hans-Dietrich Genscher (FDP) | 12. Otto Graf Lambsdorff (FDP) |
| 3. Norbert Blum (CDU) | 13. Johannes Rau (SPD) |
| 4. Lothar Spaeth (CDU) | 14. Edmund Stoiber (CSU) |
| 5. Franz Josef Strauss (CSU) | 15. Oskar Lafontaine (SPD) |
| 6. Gerhard Stoltenberg (CDU) | 16. Hans-Jochen Vogel (SPD) |
| 7. Rita Suessmuth (CDU) | 17. Klaus von Dohnanyi (SPD) |
| 8. Heiner Geissler (CDU) | 18. Bjoern Engholm (SPD) |
| 9. Walter Wallmann (CDU) | 19. Jutta Ditfurth (Greens) |
| 10. Martin Bangemann (FDP) | 20. Joschka Fischer (Greens) |
-

These subject matters of the SPIEGEL poll will be the topic of a second report. The results show that the government and the governing parties cannot hope for better, albeit easier, times. They must swim against the current if they want to attain their goals.

Among the subjects covered in the next issue will also be the proposal by Saar chief and SPD vice chairman Lafontaine to shorten work hours without full compensatory wage adjustment.

Reform, Policy, Innovation

36200111 Hamburg DER SPIEGEL in German
2 May 88 pp 36-45

[Article: "Poor and Rich United Against Tax Reform"]

[Text] In April it became a certainty: Chancellor Kohl does not have to battle for a majority of FRG citizens for the two major works of his coalition. He cannot get it, the reform of the tax system as well as reform of health care being that unpopular. The SPIEGEL poll by the Emnid Institute leaves no more doubt about that.

This is the second time that Emnid polled popular opinion about tax reform. A comparison of the results of August 1987 and April 1988 shows that the already negative opinion has further increased in recent months.

In August, only 34 percent of those questioned opposed reform; in April, 47 percent. At first it was approved by 30 percent; now, it is only 23 percent.

The reform by Labor Minister Bluem does not fare any better. Fifty percent of FRG citizens oppose it, 30 percent approve of it.

Two other central subjects were included in the April Emnid poll: the battle against abortion being waged by the Union leadership, soon to be made into a campaign, and the proposal by Saar chief and SPD vice chairman Lafontaine to waive full wage compensation for shortening work hours, in order to help reduce unemployment in this manner.

With regard to those subjects, Emnid found majorities in favor, not against. Fifty-two percent of those questioned supported a law on consultations for pregnant women, which the coalition wants to pass, and 57 percent approved of Lafontaine's proposal.

The Bielefeld opinion pollsters did not limit themselves to these essential questions, but rounded off the opinion picture with a few additional questions (see graphics). And different from most earlier polls, they not only ascertained whether the opinions of Germans vary according to their political leanings, age, and education.

The results were also divided according to an additional two dozen subgroups. This served to determine whether the opinion of FRG citizens on tax reform coincides with the size of their income; what German women, particularly younger ones, think of the new debate about Article 218; how many Catholics judge abortion the same way as Catholic bishops; whether simple trade union members condemn Lafontaine's proposal as determinedly as their top functionaries.

And FDP voters were also studied more precisely than before. The reason: When they had been asked about their preferred coalition, it was surprisingly found that

the number of FDP adherents favoring the Bonn coalition with the CDU/CSU was almost equal to those wishing for a change of partners to the SPD (40 versus 35 percent, see SPIEGEL 17/1988).

Now it was thoroughly researched whether the adherents of a social-liberal coalition among FDP voters also think differently about so-called factual subjects than the adherents of the present coalition with the Union parties.

All four topics—the two reforms, the battle against abortion, waiving wage compensation in favor of the unemployed—are linked to the names of top politicians. Lafontaine is the only one who became more popular because of his proposal. For Labor Minister Bluem, the reformer of health care, and for Minister for Youth, Family and Health Rita Suessmuth, responsible for the consultation law, the discussion has had neither a positive nor negative effect so far.

Only Stoltenberg has suffered losses. Within a few months he dropped from the lead to a middle place. But it cannot be determined precisely what damaged the CDU chief of Schleswig-Holstein more—the Kiel affair, or his Bonn failures with the unpopular tax reform and the crater-sized holes in the national budget.

Opinion about the tax reform, which Stoltenberg friends call the work of the century, is negative in almost all population groups. Sixty-one percent of civil servants and 53 percent of workers, for example, would prefer to keep the present tax and have no reform, at least not this one.

In no other occupational group is approval of the Stoltenberg project as high as among independents and freelancers. But even they, coddled by the coalition, more often disapproved than approved (42 percent versus 32 percent).

Contrary to expectations at Bonn's conference tables, the higher their income, the more citizens are against reform. The proportion increases from 39 percent in the lowest income group to 49 percent in the highest. And it is always a minority only which approves of reform.

In other words: It does not matter whether the reform above all has a favorable effect on low-income citizens (as is claimed by the CDU/CSU and, less insistently, by the FDP), or serves high earners primarily (as claimed by the SPD and the Greens). The Stoltenberg undertaking impresses neither one nor the other favorably, nor any other group.

Even the poor and the rich are agreed in this regard. Fifty-five percent of those assessing their own economic situation as "bad" or "very bad," and 43 percent calling their situation "good" or "very good," are against reform ("in favor": 10 and 31 percent).

Only rarely in FRG history has there been such a contrast between the self-laudatory slogans of the Bonn leadership and the generally negative public opinion.

The strongly polarized opinions in one's own camp are also of political explosiveness. Among CDU/CSU voters there is at least a slight preponderance of positive opinion: 36 percent were in favor of reform, 30 percent against, and 33 percent stated they didn't "care" about the entire matter. Among FDP voters, on the other hand, a clearly negative opinion prevails. Only 27 percent are for it, more than double that number—56 percent—are against reform.

Similar majorities also exist among SPD and Greens voters. Ergo: On this subject, the distance between FDP voters and CDU/CSU voters is much greater than with the adherents of the two opposition parties.

Furthermore, the adherents of the small party are divided. A relative majority (46 percent) of those favoring the coalition with the CDU/CSU approve of reform, an absolute majority (79 percent) of those favoring a coalition with the SPD are against.

There is the realization with which the FDP leadership has to cope—among the adherents of their party one can clearly recognize two directions of about equal strength or, formulated more pointedly, two wings, two parties. As with the subject of tax reform, they can be proven with any other topic.

Many FRG citizens are more concerned about the future costs of health care than the additional tax payments they can expect in the future. Bluem's reform touches them more directly, since it concerns pills and eyeglasses, health cures and ambulance transports, teeth and coffins.

Among the majority of those opposing reform are many who disliked Bluem's direction from the very beginning, but also others who became displeased only when the course was corrected in favor of the pharmaceutical industry and other interest groups.

As to CDU/CSU and FDP voters, their opinions about health care reform are as far apart as their views on tax reform.

On the subject of abortion, the CDU/CSU leadership is under pressure from two sides.

The Catholic bishops and fanatics within their own ranks demand what they don't want to do: make Article 218 tougher.

Women's organizations, the opposition parties, a few FDP politicians and even individual CDU politicians (such as Lower Saxony's Finance Minister Birgit Breuel), on the other hand, declare the planned consultation law to be superfluous or even detrimental. Many critics of

the bill are agreed that in future, pregnant women will not be given advice, but will be put under pressure and prevented from having an abortion. And often the opinion is expressed that this law is to implement the demand by Catholic bishops to rigorously reduce the number of abortions, without changing Article 218.

As in the mid-1970's, an abortion debate is again underway. At that time, Article 218 was eased. Since then, termination of a pregnancy is exempt from punishment if the woman's life is in danger (medical indication), or if there are other important reasons, such as a state of material need (social indication).

A so-called time limit regulation, which would make any abortion within the first 3 months of a pregnancy exempt from punishment, failed at that time because of the Federal Constitutional Court. And the complete abolition of Article 218 had never been on the agenda in Bonn.

Many Germans wish for a more liberal solution than that existing today. Forty-four of 100 FRG citizens would like it best if abortion were not punished at all, or if a time limit regulation were introduced.

One out of three citizens favors retaining the present rules, only one out of five thinks like the Catholic bishops and other arch conservatives and wants to allow a termination of pregnancy only if the woman's life is in danger.

Among men and women, Emnid found approximately the same figures. The institute registered considerable differences of opinion above all according to political and religious attitudes. Only among CDU/CSU voters is there a large minority, and only among Catholic churchgoers a majority, who want to tighten Article 218.

Therefore, do Minister Suessmuth and other Union leaders steer a reasonable middle course—from their point of view—if, on the one hand, they deny a change of Article 218 to the conservative minority and, on the other hand, prepare a consultation law for which there is a majority among the populace?

This question must be answered in the negative, because there is something special about that majority, as a closer look at the Emnid table shows. Most CDU/CSU voters (68 percent) are for, most other FRG citizens (55 percent) are against such a law.

Majorities against this project exist particularly in those groups where the Union parties, according to analyses by their strategists, have very few voters anyway. In particular, most younger women are against this law.

And even a new coalition quarrel is on the agenda if FDP leaders act as most adherents of this party expect them to: 53 percent of FDP voters reject the Suessmuth proposal.

While the abortion subject polarizes the citizens into a conservative minority and a liberal majority, Lafontaine's proposal brings most Germans together. Majorities of almost all population strata agree with the Saar comrade: 59 percent of Catholic churchgoers and 53 percent without religious affiliation, 59 percent of young voters and 64 percent of citizens of retirement age, 61 percent of white-collar workers and 60 percent of independents and freelancers, 51 percent of the lowest income group questioned and 58 percent of the highest income group.

His own people, however, do not applaud Lafontaine as heartily as many outsiders. Adherents of the Greens and the FDP, and even of the CDU/CSU, agree with him in greater numbers than SPD voters. But even they are still in the majority (53 percent).

A majority against the proposal exists in three groups, two of which are SPD clientele: 54 percent each of workers and civil servants, and 51 percent of trade union members opposed a waiver of full wage compensation.

This means that at the grassroots level of the trade unions, opinions are divided; but rejection is not as predominant as top functionaries believe, or would have us believe.

Lafontaine has not only revived the discussion over how to combat unemployment better than up to now. He has also strengthened a trend which has been emerging during the last year and a half.

In October 1986, the CDU/CSU was mentioned more frequently than the SPD when the question was put as to which party was "best suited to combat unemployment." In December 1987, this had already reversed. And now, in April, the SPD was mentioned by even more persons questioned, and the CDU/CSU by even fewer (50 versus 39 percent).

Most FRG citizens are agreed that Lafontaine's proposal has almost no chance of being implemented. And there is hardly a wave of solidarity spreading. When Emnid asked those in favor of the proposal whether it should be applied to the entire labor force or only to those of higher incomes, most were of the opinion it should be limited to a few.

SPD Vice Chairman Lafontaine has neither helped nor harmed his party with his proposal with regard to the number of its adherents: it has not changed since December of last year and stayed at 40 percent in April, also.

CDU in Frankfurt Investigates Source of Recent Scandal

36200117a Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 17 May 88 p 12

[Article by Guenter Mick: "Corruption Has Deep Roots"]

[Text] The German Civil Service Association thinks it knows the real reasons for the corruption of public servants in the Frankfurt city administration: the spoils system and patronage. In the opinion of the Hesse Land association of the civil service organization, "lateral entrants" for years have increasingly come into key positions of the public service owing to their sponsorship by political parties. These lateral entrants feel stronger obligations to their party than to the state, therefore, the Civil Service Association feels, they are more susceptible to ideas for their own advantage.

The CDU "governing" there has started to investigate the roots of the evil, the causes for the cases of corruption which have plagued the Frankfurt city hall for over a year. In doing so, it does not stop at the recognition that there are human weaknesses for "advantages." Rather, it thinks it can discern an "erosion of the virtues of sense of duty and law-abidingness," which, in final analysis, makes the polity, too, susceptible to corruption.

It is only possible to muse about the deeper reasons of the bribery scandal which shook the Frankfurt city administration barely a year before the municipal elections. As a result of the investigations thus far by the prosecuting attorney, at least the period of the affair can be delimited: it goes back to the sixties and seventies.

The CDU, with its bare absolute majority in the city parliament, recognizes that the constant revelations of new cases of corruption are devastating to the reputation of the city administration. But the CDU can point out with a degree of satisfaction that the roots go back to the years in which the Frankfurt city hall was still under "red" control.

The arrest of the director of the contract award and procurement office with which the affair had reached its present sorry culmination was, however, proof for the opposition of SPD and the Greens that the city administration "went downhill" and that it must resign because it does not meet its political responsibility. Motions to that effect followed: the CDU, the opposition said, rejected the establishment of a special committee for the resolution of the affair with the argument that, in the interest of the success of the investigations, they must be pursued confidentially.

The Social Democrats were not very smart when of all persons they made the arrest of the director of the contract awards office, an SPD member, the occasion for their offensive. For this position had been filled as early as a year before the CDU, with its leading candidate

Wallmann, for the first time gained the absolute majority in Frankfurt in 1977. The CDU was now able to counter the SPD attacks with figures. Of 56 office and operating managers in the city administration, 42 had "definitely" belonged to the SPD at the time of the political change in city hall.

But the CDU was able to hit back not only by pointing to the SPD's own political responsibility "for the past." It also protested the fact that Frankfurt SPD Chairman Wentz of all people demanded the resignation of the city administration and thus had "set himself up as an upholder of moral standards" in the corruption scandal. In this connection the CDU can point to a matter embarrassing to the SPD. A few days prior to the Hesse Land parliamentary elections in April 1987, which made the SPD the opposition party after 40 years as the government, the Boerner caretaker cabinet had quickly appointed the staff member in the state chancellery by the name of Wentz senior government official and thus a career civil servant. With some justification the CDU now says: "Whoever is a beneficiary of an intolerable party spoils system is least qualified to preach political morality." But party political charges do not lead anywhere. The CDU knows that, too. At any rate, since the beginning of last year 36 city employees—5 civil servants, 30 employees, and 1 worker—have been arrested or temporarily detained. In addition, there are 30 more employees and workers who admitted on their own—following an appeal by the state prosecutor's office and the city administration—having accepted small rewards and presents from firms. Charges of corruption are directed against about 100 firms, investigations are being conducted against about 40.

Public knowledge of more and more new cases of corruption at any rate affects the confidence of the citizens in the administration. The city government is in a dilemma: On the one hand it tries, together with the state prosecutor's office, to meet the demand to dry up the "quagmire," on the other hand constantly new revelations do not contribute to enhancing the reputation of the administration. City Councilor Mueller reduces that to the simple formula: "The better the city administration works regarding the exposure of irregularities, the more cases are exposed and thus the worse becomes its reputation."

Nevertheless, the city administration for which the CDU is responsible promises to continue the complete clarification of all corruption charges without respect of person and position, not even stopping at the "executive levels." The party believes it will not be harmed by the corruption matter in the municipal elections next March, not only because the beginnings go back to the time of the SPD majority in Frankfurt. The political leadership in Frankfurt is not involved in the affair. At any rate thus far there have not been any grounds for such an assumption.

Bluem Calls for 'Team Spirit' in New CDU

36200117b Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 18 May p 5

[Text] The North Rhine-Westphalian CDU, in the opinion of its Land chairman Bluem must "develop more team spirit and convey a spirit of a new departure." A year after the final merger of the formerly independent Rhineland and Westphalia-Lippe party associations into a Land organization and after the leadership change from Biedenkopf to Bluem, the Land chairman in Duesseldorf said that the situation of the party on Rhine and Ruhr cannot be described as satisfactory. Since the CDU has been in the role of opposition for over 20 years, a "runner-up" mentality has developed. As a result, parts of the party have resigned themselves to accepting the political power relationships. The party must learn once again to bank on winning. "One person alone cannot achieve that," the federal minister of labor said concerning his role as Land chairman. "We cannot achieve that in a dash but that will be a long-distance race."

In a priority phone call in Duesseldorf Bluem did not yet want to comment definitely on the question of a top candidacy even though he is regarded as designated challenger of Minister President Rau in the next Land parliamentary elections in the spring of 1990. "A thing done well cannot be done quickly." A change in political leadership in Duesseldorf, he said, can only be achieved with a well-functioning team. Therefore, he sees himself now more as "the trainer of a soccer team." Bluem expects CDU and FDP to adhere to their agreed aim of jointly replacing Rau and the SPD which governs the land with an absolute majority in 1990. In this connection the CDU, Bluem is convinced, must not forego also accentuating once again public order more strongly in its own economic and social policy. Bluem made it clear that he does not think much of General Secretary Geissler's "camp theory." "This may be a useful analysis but it does not lead to the motivation of our party."

Bluem admitted that the CDU in North Rhine-Westphalia suffered noticeable membership losses over the past years during the prolonged discord about and with Biedenkopf, losses that are to be counteracted with an extended propaganda campaign. The CDU needs more young people and also women as members, he said. It must also hold more intensive talks once again with both churches. "I have always known that this matter here in North Rhine-Westphalia will be hard work, but I did not become Land chairman for one election period." As regards the fact that the CDU in North Rhine-Westphalia continues to be below 35 percent in public opinion polls while the SPD has an acceptance of about 50 percent in the Land, Land General Secretary Linszen thought, Bluem and the Federal Government are being criticized for quite some time on account of the difficult reform policy projects.

Bluem charged Rau with lack of imagination and creativity in Land policy. However the CDU has made important contributions in recent years, he said. Without the CDU drafts there would have been no agreement

on the retention of the quantity framework in German coal mining or on a mining industry conference with Federal Chancellor Kohl or also the Frankfurt Agreement.

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Effects of SPD Victory in Kiel Viewed
36200128 Munich SUEDEDEUTSCHE ZEITUNG in German 10 May 88 p 3

[Article by Volker Skierka: "Suddenly the Victor Shows Unaccustomed Toughness"]

[Text] Hung over from the night, with slightly puffy eyes and still befuddled by the dream election result for him and his SPD, around noon Bjoern Engholm soars into the air in the "Ottiphant." In comic Otto Waalkes's private plane, the future minister president wings it comfortably, and in a good mood, from Kiel to Bonn for the SPD presidium session, happily gazing down with gratitude upon his sunny land and its citizens, who on Sunday punished the CDU, having ruled for 38 years, for the Barschel affair.

The take-off of the twin-engine turboprop Cessna had been postponed time and time again because important wellwishers had delayed the victor. Bremen Mayor Wedemeyer called from Tokyo, ex-Chancellor Helmut Schmidt from "somewhere in the universe," and SPD honorary chairman Willi Brandt from Unkel on the Rhine. At some point during the election night, Engholm fled into the room of a party secretary in order to first collect himself in muted light and with a bottle of wine. "I am completely perplexed," he admitted in his refuge. He had expected "49 percent at most": "54.8 percent is an enormous advance of trust," said he. "If I can redeem 70 to 80 percent, it would be a great success in view of the problems and indebtedness of the Land."

Guenther Grass Speaks in Kashubian [West Slavic Dialect]

He feels sorry for his opponent, Heiko Hoffmann. He had tried to give the CDU a new face, but the election result showed that "the time of the hardliners is over." Hoffmann had not suffered a personal defeat, but had paid the price for the villainy and mistakes of others. The voters had been fed up with the "princely attitude" of Stoltenberg and his vassals. Engholm estimated that "more than 7 percent of classic conservative voters came over to us."

The 48-year-old former Federal Minister of Education who came to Kiel after the Bonn turnaround in 1982 and has been opposition leader since the Land parliamentary election in 1983, still cannot grasp it. Even small and medium-sized firms and industry gave him their approval, so that he now dreams of a concerted action of politics, economics and trade unions to accomplish the future tasks in the Land. "Jurek Becker, the writer, who

like many other artists supported me in a grand cultural tour, said to me: 'If you win, I shall be looking for a house in Schleswig-Holstein as of Monday and move there.'"

On Monday, there were celebrations at the hotel "Kieler Kaufmann" till the early morning with friends, artists and the political opponent. Guenter Grass gave a humorous speech in Kashubian, someone at a late hour also brought top CDU candidate Heiko Hoffmann who was in need of consolation, and the deputy FDP Land chairman, Wolfgang Kubicki, also was swallowed up in the group until he "finally had as many per mille [alcohol content] in his head as we lacked for a 5-percent result." However, with him one cannot be sure whether he is really sad or secretly glad about the election result. It may possibly open the way for him to the top.

Kubicki will probably be the new man for the Schleswig-Holstein FDP. The old one, Wolf-Dieter Zumpfort, at a board meeting on Monday evening was advised to heed the example of Baden-Wuerttemberg Land Chairman Doering: namely, to withdraw from office. For a long time now, the Liberals have had their knives ready in their robes. Old wounds will now be reopened: the vacillating course during the Barschel affair; support of those in the CDU who were already finished; the lack of imagination for an independent course between CDU and SPD.

"Then He Has To Go"

When the defeat of the Liberals became clear on Sunday night, it is said that Zumpfort wanted to issue as a guideline for the next 4 years an extraparlimentary opposition in conjunction with the CDU. But in Kubicki's view, the Liberals were shunted aside because of these very close ties [to the CDU] which Zumpfort had again stressed in a joint press conference with Hoffmann just a few days before 8 May. "The election showed that the voters did not want the CDU and, therefore, not us, either," said Kubicki, who strives for an independent role for the Liberals. "This was a compensatory election for Engholm after the Barschel affair. I consider it out of the question that the SPD will again get above 50 percent in 4 years. Then the FDP will have the chance to attract the bourgeois voters who have now turned to the SPD." Kubicki sees the rise of a social-liberal era in Schleswig-Holstein in 4 years: "It is improbable that we will gain a bourgeois majority with the CDU. The Union party is in such a desolate condition that their era will be over for the next 12 years. The CDU no longer has any personalities who can make the party attractive."

Now one is waiting eagerly to see what will become of Land Chairman Stoltenberg, parliamentary caucus chairman, Klaus Kribben, and top candidate Heiko Hoffmann. Stoltenberg accepted responsibility on election night, but has not announced any consequences for himself. But meanwhile, some trouble is brewing within the parliamentary caucus and the party against him and

other so-called "heads of concrete." "Until autumn at the latest" would the Federal Finance Minister be tolerated as the head of the Land party, delegates already whispered into journalists' ears on Sunday evening. "Then he has to go!"

Thus the aggressions in the party are directed against Stoltenberg, not Hoffmann. Despite the devastating result, the last hopes within the party are concentrated on the 52-year-old who is (still) justice minister. So, on Tuesday he will become a candidate for the post of parliamentary caucus chairman, which he had held for 5 years until 1985. Internally, his then-successor Kribben already announced his resignation a week ago, and Hoffmann expects to get Kribben's vote, also.

The SPD conquered 46 of the 74 seats in the Kiel Land parliament, among them all 44 direct seats. The CDU managed to get only 27 seats. No longer represented in the Land parliament will be Trutz Graf Kerssenbrock, the former chairman of the investigating committee. Despite a good lead in his election district in Ahrensburg outside Hamburg, where the SPD scored particularly great gains, he could no longer hold it. While the CDU is now painfully searching for a "new beginning," the SPD must already fend off attempts from Bonn to put their "Bjoern" on the merry-go-round of chancellor candidates. "This result is to a very large extent Engholm's personal triumph, and the voters' mandate is not to send Engholm to Bonn. For the next 4 years, he must carry out his mandate in Kiel," says parliamentary manager and the probable new parliamentary caucus chairman, Gert Boernsen. Engholm says about the "nationwide effects" of this result: "I came here voluntarily a few years ago, and here I want to stay."

Boernsen warns his party friends against boisterousness: "This result was not a gift from heaven. This Land is not social democratic, but predominantly a conservatively structured Land. Only the next election will prove whether we have convinced the voters."

Governing will not be easy. In the many years of CDU rule, the apparatus in the ministries has been infiltrated with loyal servants of the party membership card, as the investigating committee revealed. Among the Land media, also, Stoltenberg and Barschel could count on many an influential "court" reporter. Against that, also, the new men must rule. In the days before the election, there was a flood of promotions, bestowing of medals, and placing of orders in the ministries and other authorities. "Naturally, some people must be transferred," says Professor Hans Peter Bull, the future Minister of the Interior and formerly in charge of the Federal Office of Data Protection, who just learned at an election celebration that the Interior Ministry had quickly ordered new official cars for DM350,000. Many department heads registered visible bitterness at the election result, but

Bull and his future cabinet colleagues hope for a "harmonious transition in office." "And perhaps," says Bull, "there is also among the civil servants a yearning for a new political direction."

Engholm also wants to introduce "a bit more democracy" in the civil servant apparatus, "after 38 years of stagnation and encrustation." He intends "to remind the civil servants that they have sworn an oath—not to a party, not to me, but to the country." And he is sure that 95 to 98 percent of the civil servants discharge their duties faithfully. "But God have mercy on those who do not want to understand that," says Engholm suddenly with unaccustomed harshness. "They receive their salaries from tax money. Whoever is disloyal, wrongs this Land. And I shall not tolerate insubordination vis-a-vis this Land."

9917

Land Interior Ministers Set Policy on Poles Seeking Asylum

36200096 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 3 May 88 p 4

[Article by Guenter Bannas: "Last Step of a Long Process"]

[Text] Bonn, 2 May—"East Bloc citizens who have entered the country illegally currently acquire legal residence status, to which they are not entitled according to applicable law, merely by submitting an application for asylum even though it may be obviously improper and substantiated entirely by reasons unrelated to asylum." Thus wrote Kronawitter, the Social Democrat mayor of Munich, in October 1986 in a letter to Federal Minister of the Interior Zimmermann in which he complained that the number of applicants for asylum was still increasing. "The main reason for this is the fact that citizens of East Bloc nations constitute the largest group of asylum applicants in Munich," and the SPD politician added: "If the federal office for the recognition of foreign refugees logically decides in such cases that these foreigners are not subject to political persecution in their home countries, then their (stay) is not only sanctioned but members of their family are allowed to follow." Zimmermann (CSU) shared the SPD politician's assessment: "A change of the current legal practice concerning foreigners can, as you know, only be realized if the Laender [German states]—which, according to the Constitution, have exclusive jurisdiction in this matter—agree to it."

Growing Numbers

The decision of the conference of Land ministers of the interior that in future Polish applicants for refugee status should also be deported to their homeland if their applications were rejected in accordance with due process, was the last step of a long process and of more recent developments. Last year 15,194 Polish asylum applicants entered the Federal Republic, more than from

any other country, and they represented more than 25 percent of all foreigners requesting political asylum; in 1986 it was more than 10 percent (10,981) and in previous years their share had always exceeded 9 percent. The assumption of power by Polish General Jaruzelski and the end of the Solidarnosz [Solidarity] movement had induced thousands of Poles to emigrate in the beginning of the eighties. Many of them took advantage of liberal travel opportunities and remained in the Federal Republic. The harbor of the Hanseatic city of Hamburg in particular became the gateway to the Federal Republic. Social Democrats from Hamburg were among the first of their party to plead that refugees from Poland should receive the same treatment as those from Third World countries and that—if warranted—they, too, should be deported.

Aside from those relating to the usual legal refugee issues, there were no heated debates about Polish refugees. Initial reports surfacing in the beginning of the eighties were denied. The Land interior ministers attempted to rescind their 26 August 1966 decision. At that time they had decided that asylum applicants from East Bloc countries should receive preferential treatment and that they should be allowed to remain in the Federal Republic even if their applications had been rejected. As a consequence East Bloc refugees no longer needed to submit an application for asylum and even received preferential treatment over other foreigners with regard to labor law. First steps toward equal treatment were already initiated at the time of the SPD/FDP coalition. Asylum applicants from East Bloc countries were also included in the work prohibition ban. In contemporary debates concerning the right to asylum, SPD politicians characterized the preferential treatment of East Bloc refugees as "anachronistic." Later FDP delegates also questioned why rejected asylum applicants from southern countries were deported but not those from eastern countries. While "flight from the republic" is a "statutory offense" in the GDR, there is no such law in Poland, Hungary and Czechoslovakia.

Although the 1966 decision was reaffirmed in 1985, it was more narrowly defined. In view of an unknown but not inconsiderable number of Polish workers in the Federal Republic, the interior ministers decided at that time that protection from deportation should cease unless an East Bloc citizen explicitly invoked political persecution from the very beginning. Last year this policy was replaced by the decision that citizens of East Bloc countries, too, would have to apply for asylum if they wanted to avoid the status of illegal immigrants. Only with regard to the deportation problem did the Land interior ministers fail to commit themselves unequivocally. Although most Polish asylum applicants were rejected, decisions about deportation varied. From Hamburg came word that Poles had been deported from that city for some time.

Beyond Party Affiliations

Zimmermann informed his ministerial colleagues that more than 500,000 Polish visa applications must be

expected this year. He also related his conversations with Austrian Minister of the Interior Blecha (SPOe) [Socialist Party of Austria] who had announced a more restricted right of asylum. This also affects the Federal Republic. The conference of the interior ministers arrived at its decision unanimously, setting aside party affiliations, and asked Zimmermann to instruct the federal office in Zirndorf to handle applications of newly immigrated Polish citizens before deciding the more than 80,000 other cases. Zimmermann agreed. It was reported from Celle that, as a rule, the ministers expected the federal office to reject these applications. It is not apparent, said Schnoor (SPD)—the interior minister of North Rhine-Westphalia—that "rejected asylum applicants will encounter serious dangers in Poland."

12628

NORWAY

Middle Parties Already in Decline Worry About New Vote Law

Center Party Losing Constituency

36390062a Oslo AFTENPOSTEN in Norwegian
30 Apr 88 p 8

[Article by Einar Solvoll: "Center Party Is in Danger Zone"]

[Text] "The Center Party is in the danger zone, but it is not in the same boat as the Liberals, who have lost their appeal in almost all voter groups. The 'foundation' and bastion of the Center Party, as for the past 20 years, comprises farmers and fishermen," election researcher Bernt Aardal told AFTENPOSTEN.

Yesterday he gave a speech behind closed doors to the Center Party's parliamentary group and executive committee, including party leaders Johan J. Jakobsen, Johan Buttedahl, and Anne Enger Lahnstein. His message to the party was clear enough. The prospects for the future are more bleak than bright. But, the researcher added, when it comes to predicting the future there is a 50-percent chance of error!

Against the Party

"Time is working against the Center Party, since the number of people in primary industries is dwindling and the party has begun to move into the danger zone near the 4-percent requirement for representation in parliament. In the group of first-time voters and youth, the party is also approaching the 4-percent limit. And Center Party voters are getting older and older each year," he said.

What are their prospects in the parliamentary elections next year?

"There is an interesting point in the figures. Fifteen percent of all voters say that the Center Party is their number two choice. Only the Socialist Left Party has more voters who say it is their second choice. Many Conservative and Christian People's Party voters say they could conceivably vote for the Center Party in a second round of voting."

Does this mean that the Center Party will lose more voters because it does not want to participate in a nonsocialist coalition government?

Consolidation

"It could go either way. Recent attacks by the Conservatives could also lead to consolidation within the Center Party, but the party could also lose voters to the Conservatives. As long as the Center Party maintains the interests of its voters, it does not seem that its voters react politically and ideologically to the fact that, in specific cases, the Center Party has become a support party for the Social Democrats and that it is an opposition party," said Bernt Aardal, who has done election research since his student days. He is Professor Henry Valen's "right-hand man" and, in addition, he is the head of Election Study 1985.

Bernt Aardal also believes that the Center Party is a party that does best outside the government rather than when it shares responsibility for the government's policies. This is how the party is best able to make known its policies and to reach new voters.

Electoral Reform Worries Parties

36390062a Oslo AFTENPOSTEN in Norwegian
3 May 88 p 13

[Article by Einar Solvoll: "KRF and SP Will Be More Vulnerable"]

[Text] The Christian People's Party (KRF) with 16 seats and the Center Party (SP) with its 12 seats are now "overrepresented" in parliament, with respect to their actual strength among the voters. After the parliamentary elections next year the two parties are in danger of losing several seats and they will probably be underrepresented in parliament. This could be the result of a new election law that the Social Democrats and the Conservatives are expected to approve next Tuesday.

There has been a strong reaction among the smaller parties in parliament against this "usurpation of power," as Johan Buttedahl of the Center Party called it at a press conference yesterday. He appeared together with Theo Koritzinsky of SV (Socialist Left Party) and Kjell Magne Bondevik of the Christian People's Party. Carl I. Hagen of the Progressive Party was not invited because he is not a member of the Foreign Policy and Constitutional Committee.

Helge Seip, one of the country's foremost experts on electoral matters, was there, however, to comment on the new election regulations, which will require a party to receive 4 percent of the vote to receive representation in parliament and will provide for eight compensational seats for more equal representation. Thus, parliament will be expanded by eight seats from 157 to 165 seats. The smaller parties want a 3 percent limit and 10 compensational seats. Helge Seip stated that, to approach a mathematically just system, there should be perhaps 20 compensational seats. He pointed to Sweden, which has 39 such seats, and to Denmark, which has 40 compensational seats in its election system.

Kjell Magne Bondevik said that this would be an ignominious moment in history for the Labor Party and the Conservatives. Johan Buttedahl pointed out that the new election regulations, for which the two largest parties will provide a majority, can mean that a party with over 100,000 votes will be without representation in parliament. Buttedahl said it was particularly unreasonable for the Conservatives are participating in this poor treatment of their former coalition partners.

Theo Koritzinsky (SV) announced that the three parties would present alternative proposals for constitutional changes with more compensational seats before parliament convenes again in October, so that they can be dealt with during the next parliamentary elections. The Labor Party and the Conservatives also want to vote for a constitutional amendment to prohibit parties from combining their slates of candidates.

09336

Liberal Parties Reunite, Hope for Seats in 1989 Election

36390062b Oslo AFTENPOSTEN in Norwegian
9 May 88 p 3

[Article by Ole Johan Nilsen: "Liberals Hesitate in Choosing Sides"]

[Text] This past weekend an extremely optimistic Liberal Party concluded a party congress that many sources have characterized as the most successful in many years. On 4 June the party will merge with the Liberal People's Party and immediately begin the long run toward representation in parliament in the 1989 elections. Cooperation among the middle parties is high on the agenda and the two other middle parties will be contacted immediately over the weekend. Arne Fjortoft was unanimously reelected as party leader, but he will step down in 1990.

It could be a problem for the new and expanded Liberal Party to avoid being labeled a "waffling" party, which has been a burden on the Liberal Party's credibility for many years. During the party congress many attempts were made to make the Liberal leader indicate whether the party would support a nonsocialist or a socialist

government after the 1989 election. He responded by stating that the party must discuss this question in detail in the future in order to announce a decision at the next congress in 1 year.

Now, however, he has been basking in the sunshine of a Liberal Party Congress that everyone has called successful, both politically and organizationally. Odd Einar Dorum, former party leader who has followed party congresses since the early 1960's, called the meeting the "best, most effective and tolerant" in which he had participated.

Not everything is rosy in the Liberal Party, however. It is suffering from poor finances and the Liberal People's Party will not bring a rich dowry when it joins the party. The Liberals had a troubling deficit of 5.9 million kroner in their 1987 budget, but the party leader promised it would balance the books for this year.

But what about the political balance?

The party remains in the center, Arne Fjortoft promised. This is underlined by the fact that the first thing he plans to do on Monday is to contact the leaders of the Center Party and the Christian People's Party to discuss cooperation among the middle parties. Later he may contact other parties, as well, such as the Conservative Party, he said.

Fjortoft is still working hard to depict the Liberal Party as the environmental party. The Liberal Party wants to join sectors of the environmental organizations to develop a plan for labeling goods that are harmless to the environment.

One feature of Liberal Party Congresses has been the overrepresentation of the Liberal Youth. This time the youth organization had 29 delegates. A procedural change has now been made that will mean the youth will have only six delegates, in addition to those who are members of delegations from individual counties. Various speeches by Liberal Youth members expressed frustration at this change.

In elections, the three party leaders—Arne Fjortoft, Havard Alstadheim, and Inger Takle—were reelected unanimously.

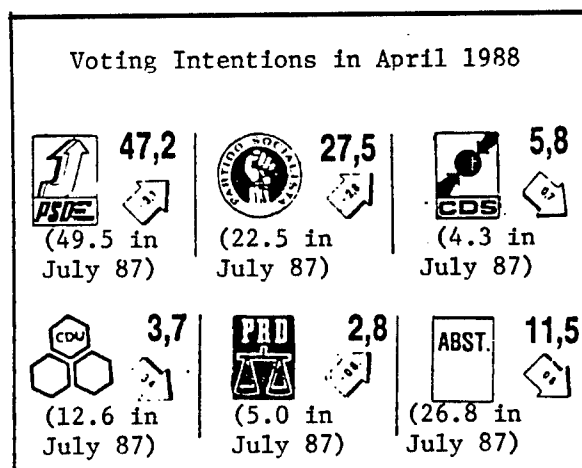
09336

PORTUGAL

Soares' Popularity Unabated, Other Leaders' Down

35420077b Lisbon EXPRESSO in Portuguese
23 Apr 88 p 6

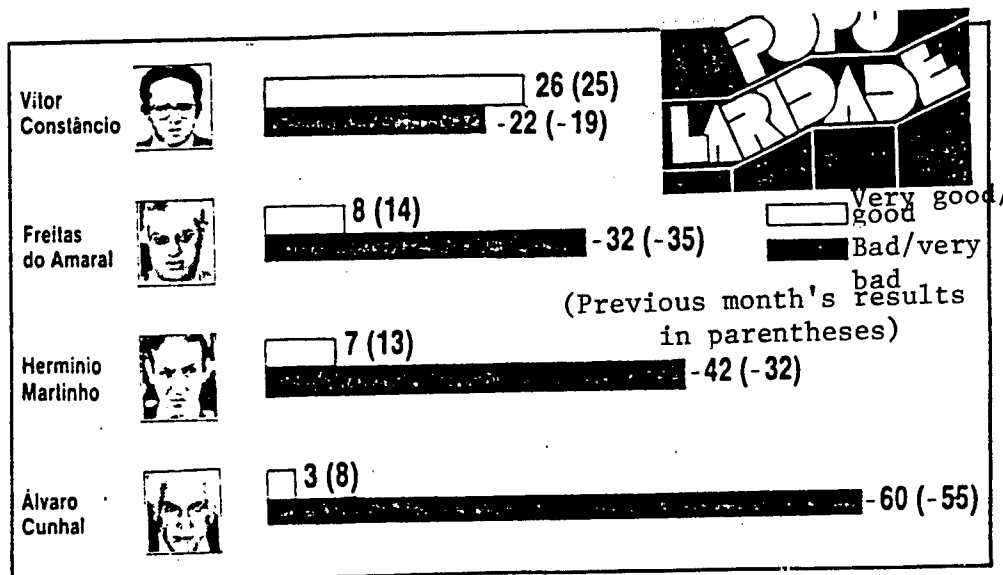
[Text] With the exception of the president of the Republic, the image of the chief participants in political life has worsened once again, as has been happening since the final months of 1987. This is shown by a new poll of the panel that was conducted between the 14th and 17th of this month.



The PSD and PS have both regained 3 points, leaving the other parties with few voters (and causing sudden relative swings in their results, since the number of respondents expressing an intention to vote for them is very small).

Among the opposition leaders, only Vitor Constancio appears to have a possibility of eventually challenging the clear supremacy enjoyed by Cavaco Silva. Attention should be drawn the sudden drop experienced by Freitas do Amaral, Herminio Martinho, and Alvaro Cunhal, whose public image has greatly deteriorated.

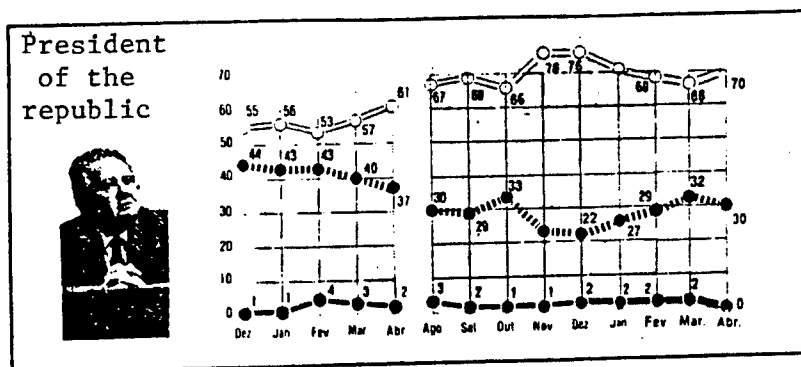
But as we reach the end of a month marked by the general strike, debate on the labor package, and various legislative initiatives, the prime minister and his government are also continuing to drop in popularity. For the moment, the intense joint activity engaged in by the government and Parliament has not been enough to improve the image of the government and its leader. And Cavaco Silva, whose score is clearly below that of the PSD this month, is appearing less and less to be the great polarizer of votes for the Social Democrats.



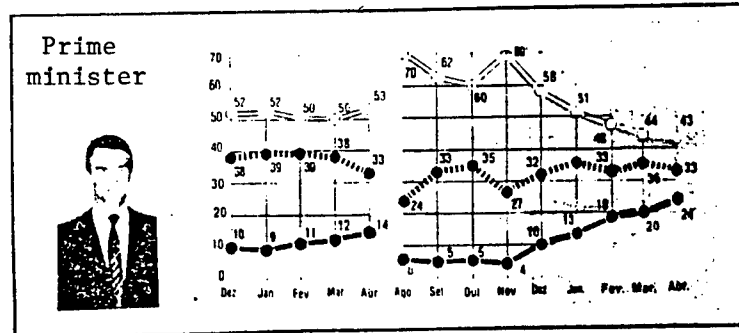
Vitor Constancio's positive balance is down to 4 points, but he is the only opposition leader with enough influence to rival Cavaco, since all the others have dropped to mediocre levels of popularity.

Apparently standing apart from the other political figures and unaffected by the generally unfavorable opinion that Portuguese currently have of political activity, Mario Soares occupies a special place. He remains in a zone of tremendous popularity (hovering around 70 percent) and has even reached the point where his activity arouses no unfavorable opinion at all. Mario

Soares is therefore outdoing his own record during his first 2 years in office, having managed the feat of maintaining an extremely high and stable level of popularity that is almost unanimous across the entire party spectrum. Soares scores 81 percent in the PSD and the PS, his lowest score being 36 percent in the CDU.



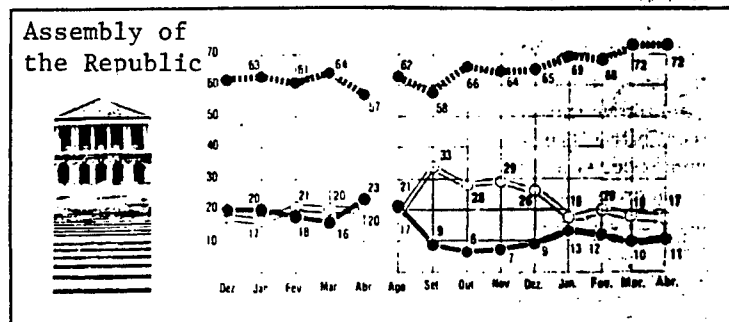
For the first time, no negative opinion of the president of the republic was recorded, and his popularity again stands at 70 percent.



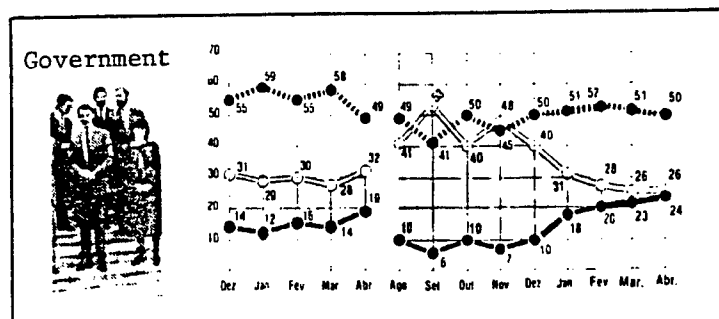
Cavaco Silva's positive balance is growing increasingly narrow. This month it has dropped to less than 20 points and is 4 points less than the percentage of those intending to vote for his own party.

The voting intentions expressed by the EXPRESSO/Euroexpansao panel in April show a jump for the PSD and the PS, with insignificant percentages for the CDS, the CDU, and the PRD [Democratic Renewal Party]. But the Social Democrats retain a comfortable 20-point lead over the Socialists and a percentage guaranteeing them an absolute majority in





Parliament. It should be mentioned that there are still a great many undecided voters and abstainers who formerly voted for the PSD. Lastly, attention should be drawn to the month-to-month distortions apparent in intentions to vote for the "small" parties. Basically, this is because the total number of respondents intending to vote for those parties is very small.



Parliament has maintained a slightly positive margin since January--higher even than that of the government--but a large number of voters are indifferent.



Like the prime minister, the government has not yet managed to reverse the falling trend in its popularity. Its balance is threatening to turn negative.

 Very good/
good
  So-so
  Bad/
very bad
  Positive
balance

Technical Data: Poll conducted from 18 to 20 March [as published]. The universe consists of voters on the mainland. The sample varies between 500 and 550 individuals and comprises about 270 sampling points. The sample was obtained from a file built upon a stratification of the universe based on region, place of residence, sex, age, level of education, and voting choice. Personal interviews, conducted by telephone. Confidence interval: maximum semi-amplitude at 95-percent probability is from 4 to 4.4 percent. Euroexpansao is responsible for the poll, and EXPRESSO analyzed the results.

11798

PCP Situation Following Seabra Incident Discussed

Seabra Sanctions Lighter Than Expected

35420083 Lisbon DIARIO DE NOTICIAS
in Portuguese 7 May 88 p 2

[Excerpts] The Central Committee of the Portuguese Communist Party decided to oust Zita Seabra as a member of the Political Commission as a form of disciplinary sanction. At the press conference held yesterday, Alvaro Cunhal did not cite any basis for the decision, limiting himself to stating that it was "an internal party matter" and that "everything had been analyzed calmly."

At the insistence of the reporters (about 30 at the press conference), Alvaro Cunhal stated that the decision had not been based on the conclusions of any investigation since none had been conducted. Asked to explain the reasons for the sanction, the PCP secretary general said that "the fact that an investigation had not been made does not mean that the party organs do not know the facts."

Secret Vote

Referring to the holding of the next PCP Congress, Alvaro Cunhal recognized the need to "rejuvenate the leadership of the party," a process that "is underway," he said, and the Congress "will confirm that renovation of the leadership." Earlier, referring to the members who drafted a document to be debated at the Congress, prominent among whom was Vital Moreira, the PCP secretary general declared that he did not know "any group of renovators." Asked to take a position with reference to the so-called "Group of Six," Alvaro Cunhal said that he did not like the designation which, in his opinion, does not make clear if it indicates the existence of a group led by six or if it is comprised of six persons.

Ask for the formal position of the communist leadership, Cunhal said that "no special position had been considered against those comrades" and added that "the attitudes of factionalism were condemned but intensification of internal debate in the party was encouraged."

A little later, Cunhal anticipated a question by the reporters: whether the PCP would permit a secret vote for election of the delegates to the Congress and in the voting that would take place in it.

"The secret vote would only make sense if there did not exist a democratic environment in the party," said the communist leader, adding that the "secret vote does not resolve all the problems." In Alvaro Cunhal's opinion, there is no need to resort to the secret vote in order for the members to be able to express "their agreement or disagreement."

In the view of the secretary general, "the current anti-communist campaign is extraordinarily broadened by utilizing distorted statements, writings and information from some members of the party as material in the attack, a fact that became publicly well known."

The PCP leader did not specify those alleged components of the anticommunist campaign. In a document distributed yesterday, the Central Committee commented on that aspect, stating that "in the current juncture, the ideological battle assumes extraordinary importance from the fact that there are hesitations, vacillations, and demonstrations of opportunism as a result of the advance of the counterrevolutionary process and the dangers that weigh on the democratic regime, extraordinarily increased with the election results of 19 July." In this area also, it was not possible to get a clear definition of those responsible for the reported "vacillations and demonstrations of opportunism."

Zita Seabra

Zita Seabra described the decision of the PCP Central Committee as a "serious error," observing afterwards: "I will continue to fight for the changes that will permit the PCP fully to exercise its basic role in Portuguese society." Zita Seabra declared that the members of the party "have the right" to know the reasons expressed by her to the Central Committee against the punishment, adding that the decision "is going to hurt especially the PCP more than me." Zita Seabra discounted any possibility of resigning from the party. "I presented by reasons for such an unjust punishment."

Silva Graca

Silva Graca, one of the signers of the critical document of the "six" told RTP that Zita Seabra did not do anything but defend ideas. In Silva Graca's opinion, the decision of the PCP Central Committee to oust Zita Seabra from the Political Commission "seems serious."

Maintaining that he did not know whether the ideas defended by Zita Seabra coincide with his own, Silva Graca, nevertheless, expressed the conviction that that communist member "followed the course she judged to be the best for the party to which she has belonged since here youth and which she helped to build."

Vital Moreira

Vital Moreira, a member of the PCP and a constitutionalist, considers the ouster of Zita Seabra from the Political Commission "deeply shocking."

In statements to the evening DIARIO DE LISBOA, Vital Moreira declared that "he strongly rejects" the punishment inflicted on Zita Seabra.

Vital Moreira, who currently holds the position of judge in the Constitutional Court, stressed that his reaction is independent of political party considerations, from which he abstains.

Punishment Seen as 'Boomerang'

35420083 Lisbon DIARIO DE NOTICIAS
in Portuguese 7 May 88 p 6

[Editorial article: "The Snowball"]

[Text] It is too early to evaluate the consequences and to foresee the evolution of the internal situation of the PCP. But it does not avail the communist leadership to minimize the political importance of the decision it has just adopted: The punishment of Zita Seabra is equivalent to throwing a "boomerang" the effects of which the current leaders and the party as a whole are going to suffer, probably earlier than can be imagined. Such a decision is not an act of retaliation against a given member of the Central Committee itself but the declaration of open warfare against a movement that is asserting itself and growing within the PCP, showing that it is determined to continue the struggle on which it has embarked against the most rigid orthodoxy until the ultimate consequences.

It is not certain that the old guard will emerge victorious from that battle that one guesses will be long and "painful"—that is the adjective Alvaro Cunhal used to describe the Zita Seabra case—for the communists. And even if that should happen, it remains to be seen if by this decision the Central Committee may not have contributed more to the threat of "factionalism" that may hover over the party than all the efforts expended until now by the renovation group. Zita Seabra was clear and direct when she declared her determination to "fight for internal changes" and once again demonstrates political astuteness in considering her ouster "a serious error of which the principal victim is the party." And the terms in which Vital Moreira expressed his solidarity with the punished leader in statements to the DIARIO DE LISBOA, breaking the long silence he had maintained, are a precise indication that the internal purges will not produce the effect they seek: to impose the order of silence and to frighten the dissidents.

The absence until now of public statements by the so-called renovators has permitted the PCP leadership to conduct a campaign based on the argument that it is the media that are magnifying the events. The case against

Zita Seabra may bring about a different behavior on the part of those targeted. As a matter of fact, the Central Committee did not bother publicly to justify the decision it adopted, certainly a sensitive and complex task; that is, it abstained from explaining the facts marshalled to draw up the case against the leader in question. But that explanation will have to be given to the members and it is not very likely that it will prove to be satisfactory for the interested party. The pact of silence on "internal matters" to which the communist leaders have subscribed will lose its validity after that, and Zita Seabra herself observed in her short deposition following yesterday's press conference that the members of the party have a right to know the reasons adduced to the Central Committee. Everything indicates, therefore, that only now will the real political debate begin. And it was the PCP leadership that threw the snowball.

In that controversial meeting, the communist leaders adopted the technique of the "carrot and the stick," which they frequently invoke to characterize outside situations and behaviors. At the same time that they punish Zita Seabra and, with that gesture, all those who seek change, they hold out promises of change: to rejuvenate the leadership of the party, update the program, modify the statutes.... But the doubt that now arises is whether between now and the congress scheduled for December the data of the problem will not be altered and instead of an ideological debate, it will end up openly discussing the question of power.

Possible USSR Interest in PCP Changes

35420083 Lisbon O DIABO in Portuguese
10 May 88 p 15

[Text] "The ouster of Zita Seabra from the Political Commission is certainly going to serve the interests of the Right and far Right newspapers such as your own, but the truth is that this comrade limited herself to defending proposals to make our party stronger, more popular, more mediating and more effective in Portuguese political life." The person who said that is an influential member of the Communist Party, a friend of Zita Seabra's, and generally regarded as being close to the "Group of Six," which reportedly includes the "renovators" of the party, beaten in this first test of strength with the "traditional" wing of the Central Committee (Cunhal, Sergio Teixeira, Vitor Dias, Carlos Brito, Carlos Costa, Domingos Abrantes, Octavio Pato, etc).

Zita's Guilt

Accused of frequenting "circles hostile" to the party, Zita Seabra almost suffered more severe punishment under provisions of Article 52 of the PCP statutes. It is believed that the former congresswoman was ousted after emerging as actually a more influential personality in a movement that sought to resume PCP contacts with various sectors of the unaligned Left, from women's groups to the "anti-Soares" wing of the PS, and also trying to "modernize" the image of the party in the

Gorbachev manner, with the important support of the press that up to now has been close to the old leadership, such as the DIARIO DE LISBOA.

Zita Seabra reportedly proposed to carry to the upper official circles of the party the grassroots initiatives of members less talked-about today, such as Vital Moreira, Silva Graca, Alvaro Mateus, Sousa Marques, Barros Moura and Jose Luis Judas, among others. The impeccable, dedicated past of these individuals cannot place them under suspicion of being persons infiltrated by or collaborating with the system, which reinforces the position of the dissident line. Very recently, O DIABO was able to learn that members of the "renovation" line maintained informal contacts with officials of the Soviet Embassy in Lisbon, which may be a signal indicative of many future developments.

Support of Moscow

We have been assured that the new Soviet ambassador in Portugal, who has held the post since the end of last year, is a believer in the possibilities of Gorbachev's "change of style" and the government of the USSR may now want to support the renovation of the PCP in order to guarantee greater harmony in the European Communist movement, which cannot occur if some of the more important parties do not "get in step" with perestroika. For example, the French Communist Party has already been "reprimanded" by Moscow and the truth is that Shevardnadze and Karpov, who passed through Lisbon recently, did not have "preferential" contacts with the PC at the level of political forces.

"Doctor Cunhal does not have with Gorbachev the relationship he maintained with Brezhnev and Andropov. Despite everything, it is another generation, and even the language can lead to difference," a former member of the PC who lived in Moscow for many years told us. "It is more than possible that through its representation in Lisbon, the USSR may look more favorably on the Zita Seabra group than on the traditional leadership. And that favorable view can become transformed, or may have already become transformed into support," he concluded.

The Struggle Continues

The collective leadership of Alvaro Cunhal has some awareness of weak points. For cosmetic effects, he hastened to replace Carlos Brito in the presentation of explanations of the case to the RTP, inasmuch as the television performance of that "traditional" member was little less than disastrous. On the other hand, he was disturbed by the statements of Zita Seabra and some of the members who support her, disputing the punishment suffered. A communique by the political leadership of the PC released this weekend reveals that such statements indicate the wish of the punished member to persevere in her divisionist effort.

On the other hand, friends told us that the restructuring proposals presented by Vital Moreira may have been formulated in a much broader group that may have included respected figures such as the constitutionalist Gomes Canotilho and members of the party parliamentary group. One of the "traditional" members declared that the renovation offensive is the surfacing of a "bourgeois-judaizing existential doubt," but other allies of Cunhal prefer to react more calmly.

What is certain is that, as of now, neither has the Cunhal leadership succeeded in suppressing the internal opposition, nor has the latter desisted from pursuing its course. The big battle begins now and the prize at stake is leadership of the fate of the PC until the end of the decade in the face of the evidence of the decline of the seductive power of communism and the socialism utopias generally characterized by insisting on drenching themselves in the blood of the ingenuous or the simply innocent.

Repercussions in PCP

35420083 Lisbon O JORNAL in Portuguese
6 May 88 p 9

[Excerpt] The relative uncertainty regarding the attitude of the PCP Central Committee with reference to Zita Seabra remained as of the close of this edition. All that is known is the intention of the Secretariat a posteriori to legitimize a de facto ouster of Zita Seabra from the Political Commission to which he was elected as an alternate at the 10th Congress.

The proceeding launched against the "Group of Six" and Zita Seabra revealed the unexpected complexity of the landscape that is hidden beyond the monotony of the official statements.

In a general sense, the different positions that have arisen show that the critical analyses made until now by the "six" and by Zita Seabra described problems the recognition of which had already begun to make an inroad in the awareness of many members of the union, intellectual and local government sectors, although at different rates and in different ways.

The rapid extension of that critical spirit was due to the slow accumulation of the crisis factors and also to an error of evaluation on the part of the leadership.

The PCP Secretariat thought to isolate the critical sectors, transforming a political debate into an administrative proceeding. But in the existing internal conditions, it thereby only succeeded in broadening the opposition front, which began to include the members who propose political changes, the intellectuals concerned about the preservation of minimum conditions for debate, the local officials and unionists whose activity is hurt by the deterioration of the image of their party, and members who, like those of Aveiro, for various reasons were mobilized to elect Vital Moreira and Zita Seabra.

A new phenomenon even emerged in recent weeks which can only be explained by the partial decline of the prestige of Alvaro Cunhal himself and by the fact that many communist members rapidly learned the limitations of internal democracy resulting from maintenance of the current statutes and the interpretation of them by the leadership.

An illustration of that is the statements of Barros Moura to the TSF, referring to the "crisis of knowledge of the situation of our country" that the PCP is going through; the statements of Jose Luis Judas to SEARA NOVA, reaffirming the need of the communists to accept the multiparty status of the left; the statements of Jose Saramago, Mario Vieira de Carvalho, and Baptista Bastos, appealing for respect for the "Group of XI" and Zita Seabra; the position unanimously adopted 2 weeks ago by the Advanced Studies Department of the PCP, which expressed concern about the way things were going; the position adopted by the Lisnave cell; the article by Antonio Hespanha published in the DIARIO DE LISBOA after having been refused in O DIARIO, in which he refers to the possibility of "the great collective of members" being able to "reassume the original right to make the decision"; and the anxieties expressed by young officials concerned about the crisis.

Apparently what exists is a diversified sector of members that publicly assumes positions apart from the immediate conflict that pits the leadership against the different critical groups, and which proposes the re-establishment of the base of dialogue on the basis of the opposing political positions. Some of them even seem to consider that the "traditional" leadership of their party allowed itself to become too involved in a retaliatory dynamic to the point of losing sight of the need to preserve the unity of the party.

Most of the members who expressed themselves in that fashion showed themselves to be concerned about exorcising the specter of fragmentation experiences, the most recent example of which in terms of similarity of conditions and time is that of the PCF, where the orthodoxes lost as a result of the schism without the "renovators" succeeding in asserting themselves in a significant manner in the electoral terrain they chose.

Thus, they believe it is possible to utilize the delay of the PCP crisis—in relation to its European counterparts—to avoid some of the errors committed by them and to benefit from the influence of the process underway in the USSR, the image of which many times in the past was one of the factors blocking the social influence of the communists.

What Now?

In recent weeks, the critical sectors of the PCP revealed themselves to have much greater importance than they had in the Central Committee elected 5 years ago, thus, before the emergence of the principal internal and international factors of the crisis of the PCP.

At the same time, the public statements of the leadership made Cunhal emerge in an intransigent light very distant from the time when they offered the members the brilliance of his discourse.

The stark intellectual mediocrity of his closest comrades in the leadership, from Domingos Abrantes to Octavio Pato, from Carlos Costa to "revelations" such as Jose Casanova or Vidal Pinto, became evident to all the members possessed of political and cultural sensibility.

Everything indicates that even if the partial acceptance by the Central Committee of some critical proposals is confirmed, specifically the secret vote for the election of delegates and revision of the program and the statutes, the internal tensions will be only temporarily allayed and the process of decanting a critical current that already cuts across the whole party will be stanchd for only a short time.

If it is not accompanied by the secret vote for the Central Committee and the possibility of presenting candidacies, and an election system that permits the delegates to select the candidates, the secret vote is far from guaranteeing freedom of choice as is advocated by the "six" in the document "Contribution To the Preparation of the Next Congress."

On the other hand, the updating of the program is an inescapable necessity. The present program is still the one that resulted from the partial revision made in October 1974, 6 months after April 1974, in which the essential principles approved at the 1965 Congress were maintained, which in turn summarized Alvaro Cunhal's "The Course to Victory." A simple review of some of the objectives indicated as part of the democratic and national revolution shows its obsolete nature: "Destroy the fascist state and install a democratic regime," "recognize and assure the peoples of the Portuguese colonies the right to immediate independence,"....

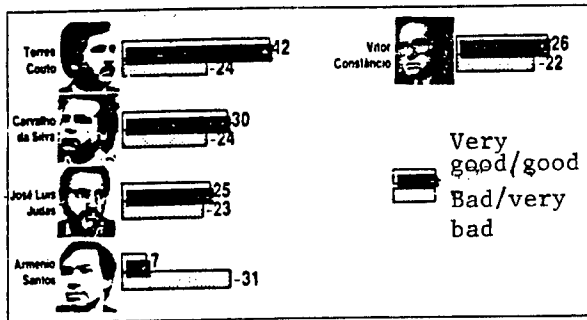
And the statutes, which still refer to the alliance of the popular movement with the MFA, favor the artificial compartmentalization of the members, hamper discussion and concentrate power in the leadership, inducing the well-known process of "substitutionism," in which the Central Committee substitutes for the party; the Political Commission, for the Central Committee; and the secretary general, for the Political Commission itself. In many aspects, its revision is a simple adaptation to conditions that are no longer those of a clandestine status.

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Poll Shows UGT Leader Enjoying Highest Popularity

35420077a Lisbon EXPRESSO in Portuguese
23 Apr 88 p 1

[Text] Torres Couto is the union leader enjoying the greatest popularity (with 42 percent expressing a favorable opinion and 24 percent an unfavorable one), thus



outdoing even Vitor Constancio, the highest-scoring opposition leader (26 percent favorable, compared to 22 percent unfavorable) by a fair margin. This is revealed by the April poll of the EXPRESSO/Euroexpansao panel.

Benefiting from the impact of his outstanding and very recent intervention in the general strike of 28 March and in the debate on labor legislation, the secretary general of the UGT [General Union of Workers] is also more popular than Carvalho da Silva (30 percent to 24 percent) and Jose Luis Judas (25 percent to 23 percent), the leaders of the CGTP. The worst public image is that of Armenio Santos, leader of the TSD [Social Democratic Workers], whose hesitations and shifts in position throughout the strike probably aroused widespread unfavorable opinion (even within the PSD, where only 6 percent view him favorably). It should also be mentioned that Torres Couto is also more popular than Constancio among PS voters (63 percent and 55 percent respectively), and that in the CDU, Carvalho da Silva (81 percent) is more popular than Jose Luis Judas (66 percent).

Besides the usual scope of this poll (see the separate article), it should be noted that another question put to the interviewees indicates that 44 percent of Portuguese view the current government as being "intransigent," while 41 percent say it is "open to dialogue" and 15 percent do not express an opinion.

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SWEDEN

Election Campaign Issues, Party Events Described

Voters' Concerns Favor Nonsocialists

36500112 Stockholm DAGENS NYHETER in Swedish
5 May 88 p 2

[Commentary by Hans Bergstrom: "Campaign Issues May Bring Change of Government"]

[Text] Both SIFO [Swedish Institute for Public Opinion Polls] and the IMU [Institute for Market Research] are back again. But they do not provide much guidance on the question of how the election will turn out. The IMU's

poll results show an even division between the government blocs, while SIFO shows a 6-point lead for the SDP [Social Democratic Party] and the VPK [Left Party-Communists]. That difference has some political significance.

Opinion polls conducted long before an election cannot be used to predict that election's outcome. They reflect decisions made in a situation entirely different from the one existing on election day. On that day the chips are down. And the election has been preceded by a campaign that focuses voter attention on certain main issues.

So, is there any other method for making an intelligent rather than just an intuitive guess concerning the outcome of an upcoming election? British political scientists Ian Budge and Dennis J. Farlie have tried to develop one (see in particular the book "Explaining and Predicting Elections," 1983).

One chief assumption is that the voters have a rather clear advance understanding of what various parties represent. Parties have a tendency to "own" certain issues. Nonsocialist government blocs are usually regarded as being better than socialists at combating crime, lowering taxes, reducing bureaucracy, keeping inflation down, strengthening defense, and stimulating growth and free enterprise. Socialist alternatives for government have an advantage when it comes to combating unemployment, protecting the welfare state, and leveling out inequalities.

Election campaigns are characterized by the fact that the parties try to focus attention on issues that make them look good, thereby increasing their own relevance. The idea is that whatever the party or bloc is good at should be regarded by the voters as being especially important at the moment.

The forecasting method under discussion here is based simply on first determining the "normal share" of the electorate which each alternative for government has and then assessing the effect that issues will have on the election in question. Sweden is well suited to that type of forecast. Voter awareness of where the parties stand is unusually high. The parties are ready with their key issues at an early stage.

The main election issues are judged on the basis of a) who "owns" them; b) how much weight they can be expected to carry in the election debate ("centrality"); and c) the net effect that those issues will have in influencing people's decisions. That last-named point is bound up with the scope of an issue (for instance, the government issue affects more people than the question of child support) and on how clear-cut it is (that is, how clearly public opinion on the issue is moving in a particular direction). Here are the results of an attempt at forecasting the 1988 election (as of the start of February):

Normal shares in the last five elections: SDP and VPK: 49.3 percent; Center, Liberal, and Conservative Parties: 48.3 percent.

Effect of 1988 election issues: Pluses for the socialist bloc: government issue: +3; "fairness": +2; economy: +1; and Carlsson: +1. Pluses for the nonsocialist bloc: family policy: +2; individual choice: +2; taxes: +2; wage earner funds: +1; health care: +1; schools: +1; and crime: +1.

(+1 indicates relatively little effect, +2 somewhat greater effect, and +3 a great effect.)

The result is +10 points for the nonsocialists and +7 points for the Social Democrats, or a net advantage of 3 points for the opposition. Based on experience with equivalent calculations in connection with previous elections, each plus of 1 point can be considered the equivalent of 0.8 percentage points. Three points would, therefore, result in a "swing" of 2.4 percentage points in relation to the normal shares of the total vote—that is, 48.1 percent for the socialist bloc (49.3 minus 1.2) and 49.5 percent for the nonsocialists (48.3 plus 1.2). Let us assume that the Environment Party obtain 3.5 percent (if, as is entirely possible, the Greens enter Parliament, it will not be particularly meaningful to assess the relative positions of the blocs at all) and that two-thirds of those votes are taken from the nonsocialist side. In that case, the figures would be 46.6 percent for the socialist bloc and 47.0 percent for the nonsocialist bloc.

There is not space here to explain in detail the reasons for my earlier assessments of the effects of the election issues in 1988. To state things briefly, the government issue remains a big plus for the Social Democrats, and the distribution policy is somewhat less of an advantage than it was in 1985 (partly because the Liberal Party is a tougher opponent on this point than the Conservatives were in 1985). The economy is going well, but the important thing will be the picture of expectations on election day, and the outlook will not be unequivocally favorable. Ingvar Carlsson as prime minister is a Social Democratic asset, but that advantage is diminished by the fact that Bengt Westerberg also comes across as a competent national leader in the eyes of broad groups of voters.

As always, the nonsocialists have more potentially advantageous issues, but each of them carries less weight. The fund issue has lost most of its power, but it still has some mobilizing effect. Family policy has an effect chiefly by showing that the nonsocialists are more capable than before of expressing a basic view of how public systems can be built up. Health care is an issue on which the nonsocialists will come out slightly ahead because the Liberal Party (and to some extent the Center Party) can attack the Social Democrats from the position of their own social credibility. The Conservatives are also more solid than before in their support of insurance solutions that prevent everything from being "decided by the wallet."

To be honest, it is impossible, of course, to come up with a reliable election forecast more than half a year before an election when the margins are as narrow as they are in Sweden. But the method may facilitate an understanding of how parties behave in election campaigns: they try to influence the evaluation of issues by making the issues favorable to them more visible and obscuring or weakening the strength of issues favorable to their opponents. Our calculation also indicates that there may very well be a change of government regardless of what SIFO has said this spring.

Center Party Adopts 'Populism'

36500112 Stockholm DAGENS NYHETER in Swedish
19 Apr 88 p 2

[Editorial]

[Text] When the media draw attention to the relatively small size of the Center Party, Olof Johansson usually points out that the party occupies a central position in Swedish politics. On that point, he is entirely correct. The importance of the Center Party cannot be measured only in SIFO percentages or even in the party's share of the vote. The Center Party and its actions create important conditions for all political life. In order for the nonsocialists to win a majority, the Center Party must make a good showing in the rural areas and in regions where the Conservative and Liberal Parties find it more difficult to compete with the Social Democrats. This is especially true in large parts of Norrland and the other forest counties.

In order for a nonsocialist government to be formed and function well, the Center Party must be willing to participate—not merely out of necessity but constructively and with a strong desire to work with the other two parties to reform Sweden in the direction of freedom.

In the opposition, the Center Party helps considerably to set the limits within which a Social Democratic government feels it can operate. Specifically, this occurs as a result of the degree of tactical action it takes in Parliament: if the party chooses to take the opportunistic approach and vote even against objectively justified bills (an example being the environmental control fee in the form of a higher gasoline tax), the present minority government's room to maneuver is reduced and it becomes more dependent upon the Left Party-Communists.

The same thing happens as a result of the way in which the Center Party goes about molding public opinion. When the party chooses to attack the Social Democrats "from the left," rational forces within the government find it hard to withstand the triple pressure from the Center Party, the VPK, and its own party activists to "crack down on business" and apply a shortsighted and extremist distribution policy, especially in the area of taxes.

The Center Party must be taken extremely seriously as a political force. Where it stands and what it does can have important consequences. It is, therefore, disturbing to note that the purely populist streak in the Center Party has been stressed so strongly this year. There are many manifestations of it.

In the report entitled "Galloping Mergers" that came out a day or so ago, the Social Democrats are criticized for the fact that after they returned to power in 1982, they "directed policy toward creating higher business profits." The profits of 16 of Sweden's largest firms increased by 250 percent, and stock prices rose by over 300 percent, say the authors of the report as an indictment of the government. During Parliament's debate on health care, the Center Party leader completely condemned the economic policy of the "third way" because it had resulted in a "redistribution of wealth." "We in the Center Party are losing patience with the whelps pushing mergers," Olof Johansson declared. He also threatened, as he had in speeches to his party's district conventions, to "take money away from big finance."

It is natural and even justifiable that the Center Party should take a critical look at the wave of mergers and the concentration of ownership taking place in the business world. The above-mentioned report contains good proposals for improving conditions for small business. But when the Center Party attacks the improved profitability of Swedish business without mentioning that profits were dangerously low in 1982, with serious effects on employment and the foreign balance, that the earlier drop in stock prices had in fact set the stage for sharp profiteering through buy-outs, and that the necessary economic recovery has had very positive effects on distribution policy as far as the right to work is concerned—then what we have is populist propaganda: an attempt to mobilize a popular misconception instead of enlightening people about economic facts.

In a statement last weekend, the Center Party's leading woman, Gunnel Jonang, claimed that "the weak can expect nothing from the Social Democrats." One can certainly question a great deal in the government's policy, but to claim that the SDP has no aspirations whatever with respect to distribution policy is laying it on a bit thick.

The Center Party and Olof Johansson have been increasingly emphatic this spring in demanding large increases in appropriations for health care, schools, child care, and defense along with more public works. But at the same time, they have said no to any savings in the state's transfers that might pay for the increased expenditures. And Olof Johansson has placed himself to the right of Bengt Westerberg on the issue of holding out the prospect of a lower total tax burden. This is not consistent. The Center Party's leadership is obviously adding inconsistency to its behavior as a means of winning voters and avoiding internal dissension of the kind that existed in 1985. On the other hand, it is conjuring up new forms of

meddlesome interference in the economy by the Social Democratic government and undermining the ability of a new nonsocialist government to act. It is probably also underestimating its own need for objective credibility in the eyes of the voters.

VPK Losing Worker Support

36500112 Stockholm DAGENS NYHETER in Swedish
2 May 88 p 2

[Commentary by Hans Bergstrom: "Are Things Falling Apart for Werner?"]

[Text] As happened with Tommy Korberg in Dublin, Lars Werner's voice cracked in Kungstradgarden. It happened not before a European audience of millions, but before about 20,000 Stockholmers, who heard the VPK chairman make the European issue a campaign issue. "Europe is much larger than the EC," Werner exclaimed, and he is certainly right about that. Besides the Europe of the democracies, there are also, as is known, a number of communist dictatorships that have been forced on the peoples under them.

Will things fall apart for Werner's VPK in the election? Naturally, that was the question floating through the spring air in an idyllic Kungstradgarden that made the slogans of hate and revolution sound exceptionally unrealistic.

Werner, nevertheless, has a few leftist ideas that interface with those of the Social Democrats. Arms exports are one example. "After 15 investigations, the prewash should be done soon so that we can get on with the real wash job," said Werner apropos Sten Andersson's promise that the dirty laundry in connection with arms deals would be washed properly and publicly. His audience agreed. It also agreed when the VPK chairman demanded specific and quick decisions regarding the phasing-out of nuclear power and when he attacked the gap that exists between the private and public morality of a few prominent Social Democrats. And then it was time to talk about the EC. Werner appealed to that part of leftist opinion which cannot by any stretch of the imagination conceive of close cooperation with West Europe, much less membership in the EC.

Nor did the actual march, which comprised about 11,000 demonstrators, convey the impression of a party on the move. A few of its themes did not seem as tiresomely hackneyed as the old slogans about class struggle. One was the environment ("Millionaires of the world, unite!" and "Red policy for a green environment"), a subject on which the party is trying to give "green socialists" a reason to vote for the VPK instead of the Social Democrats. Another was the lack of housing, especially for young people, which the party explains as being the result of letting speculators have their way. A third was the public sector, an issue on which the VPK points to the same obvious defects as the nonsocialists

but provides a kind of leftwing alternative ("more money taken from big finance"), whereas the nonsocialists are arguing on behalf of alternatives in the private sector.

The VPK's May Day march also shed light on the party's new character, and that explains some of its difficulties with workers. The predominance of well-educated, middle-aged women with white-collar jobs in the public sector machinery is considerable. The isolated elements of the march drawing particular attention to labor union demands and affiliations were comically small. On the other hand, probably half of the protest march was made up of refugees and immigrants: Chileans, Kurds, Palestinians, Iranians, and so on. They are adding a new and large element to the VPK, but are probably not providing many votes when it comes to parliamentary elections.

As a communist force in the workplace, the VPK has been getting competition above all from the Socialist Party, whose best known personality is Gote Kilden of the union opposition at Volvo and which has played a leading role in a great many actions, among them the Dala Rebellion. No party in Sweden has grown as quickly as that Trotskyite party. It quadrupled its voter support in 1985 from barely 4,000 votes to just over 16,000 (0.3 percent of the total). It is currently concentrating on being able to distribute 1 million ballots—twice as many as last time—according to a statement made by Kenneth Lewis, a member of its party board, in connection with the party's demonstration in Medborgar Square. It criticizes the VPK for being too passive in the workplace and for providing too much support for "the government's bourgeois policy."

Lars Werner stopped and thoughtfully scrutinized the Socialist Party's rally as he strolled along Got Street on his way to the start of his own demonstration in Maria Square. Were those the votes that would make the difference between winding up just over or way below the 4-percent threshold?

SDP, Conservatives Debate Welfare

36500112 Stockholm DAGENS NYHETER in Swedish
22 Apr 88 p 2

[Editorial: "Campaign Duelists"]

[Text] The week's debates between Social Democrats and Conservatives have been a commendable attempt to start lighting the fires of election debate rather than expressions of an ardor that already exists.

The public does not really feel that a fateful election is coming up. From all indications, we are not headed for one of those election campaigns in which the Social Democrats show serious ambitions to socialize the country. Nor would welfare be demolished if there were Conservative influence in the government.

It is clear that the Social Democrats have tried to resurrect the themes that were successful in the 1985 election campaign, especially in the corresponding springtime duels with the Conservatives. Those themes include the warnings that the country's security is being threatened by Conservative policy and that the Conservative Party's tax reductions will benefit chiefly those who already have a lot. Also included is the boasting about the SDP's own results with the economy and descriptions of the chaos that ensues from a split nonsocialist government.

All of that may make an impression, of course. If the Conservatives were given the opportunity to go all the way with their cutbacks in government subsidies to the municipalities and county councils while also reducing municipal taxes, the results would be noticed even in such important areas as health care and education. The government has a right to be proud of Sweden's low unemployment rate. On the question of whether it would be any better at joint government than it was last time, the nonsocialist opposition has yet to provide a convincing argument.

But despite that, this replay of the SDP's tune from 1985 sounds less seductive than the original did 3 years ago. The sounding board is different now than it was then.

Welfare is the issue. In response to Social Democratic accusations about wanting to "undermine welfare," the Conservative Party's debaters were able, like Nils Carlshamre, to point out that "welfare has already been undermined." Workers who have paid hefty taxes all their lives, particularly for health care, are having to wait a year or more for help when they need a heart operation. There are large rips in the Social Democratic welfare model, with the result that this time even Conservatives could say that "it must never be the wallet that determines whether we receive health care." If a county council cannot provide good care within a reasonable time, people should have the right to go somewhere else without having to pay more.

The public systems have become too monolithic. And they often stifle the job satisfaction and good ideas of their employees. Permitting alternatives—allowing people more freedom, with the help of insurance premiums paid by all, to choose the provider from whom they wish to obtain important services and simultaneously opening up a broader labor market for many public employees—is being seen by more and more people not as a threat but as a matter of attractive changes which we ought to try out in Sweden. The result is that in this year's election campaign, the SDP is going to meet an opposition which will take up the debate on welfare policy gladly and with some degree of self-confidence.

To some extent, the different sounding board that exists this time probably also affects the government issue, with its link to the demand for political vigor in managing the economy. Although the economic situation as

such was felt to be more distressing in 1985, the Social Democratic claim to be more vigorous in dealing with it is now on shakier ground. From 1986 to 1988, consumption has been allowed to grow at the cost of the capital formation which was the hallmark of the "third way." As a result, the foreign balance and inflation are again showing negative trends. As a result of the overheated domestic market, the minister of finance has lost his grip on increasing wage costs. It all has to be paid for sometime.

It has also become obvious since the last election that a Social Democratic government has to contend with the difficulties of its minority position in Parliament and is not helped along in a responsible direction by a supporting party like the VPK. The nonsocialists may have problems in governing, but so do the Social Democrats.

One big change since 1985 concerns the size and position of the Conservatives. The Social Democrats love to be able to point to the Conservatives as "the alternative," and the Conservatives themselves have no objection to that love. Both parties believe they can share the profits in the form of voters from the respective flanks of the middle parties.

When Conservatives and Social Democrats met to debate in the spring of 1985, the idea of that alternative was considerably more credible than it is now. At the time, the Conservatives stood at 31 percent in SIFO's public opinion polls, and the nonsocialists combined had 5 percent more than the socialist parties. A Conservative-led government in the true sense lay close at hand.

Today the political picture is different. If the Social Democrats try to conjure away the idea that there is also a socially liberal alternative, the voters may remind them of it even more emphatically than the last time.

Bildt, Carlsson Debate Security

36500112 Stockholm DAGENS NYHETER in Swedish
3 May 88 p 6

[Article by Dick Ljungberg]

[Text] If the Social Democrats are looking for a fight over foreign policy in the election campaign, they will get one. But it will boomerang against their own credibility.

That is Conservative Party leader Carl Bildt's answer to Prime Minister Ingvar Carlsson's accusation during his May Day speech in Norra Ban Square that the Conservatives go their own way in foreign and security policy and that a nonsocialist government would, therefore, be risky for Sweden.

In a speech in Skelleftea on Monday evening, Bildt reviewed the SDP's May Day speech. He said it was a matter of an unimaginative government party with no prospects that had assembled under its old banners. If

Ingvar Carlsson's speech in this election year goes down in history for anything, it will be for its inanity. The SDP has become a machine for rallying the masses in defense of what used to be.

"Sweden will face two big and crucial foreign policy decisions in coming years: closing Sweden's frontiers to uninvited visitors and intrusions and opening Sweden's frontiers to peaceful and free cooperation in Europe," said Bildt. "On both of those important issues, we have a Social Democratic Party that is stumbling and dragging its feet."

Bildt continued: "The SDP's handling of the submarine intrusions since 1982 is a sad story for our nation in its entirety. Only after half time did the Social Democrats themselves realize that it was necessary to get rid of Minister of Foreign Affairs Bodstrom. But since then, what we have had instead is Minister of Defense Carlsson. It's no wonder that the conduct of Swedish security policy no longer gets the same respect around the world that it once did.

"Respect for Sweden's territorial integrity and its ability to defend its neutrality requires a strong total defense. When that defense is weakened in relation to the rest of the world, respect for Sweden is also weakened."

EC Policy

Bildt also said that the Social Democrats were dragging their feet on the important issue of European policy. They have long been interested chiefly in parts of the world other than our own. But Bildt felt that the Conservatives had succeeded in pushing the Social Democrats toward a more open attitude. This will become apparent in the guidelines on EC policy which Parliament will adopt on Wednesday.

Westerberg Backs Bildt

36500112 Stockholm DAGENS NYHETER in Swedish
3 May 88 p 6

[Article by Ake Ekdahl]

[Text] Sodertalje—There is no real basis for the prime minister's assertion that the Conservatives would pursue a strongly divergent foreign policy, security policy, or defense policy. The differences between the four big parties in Parliament are marginal.

So said the Liberal Party leader, Bengt Westerberg, on Monday as he commented on Ingvar Carlsson's May Day speech and the latter's attack on Carl Bildt. Westerberg himself had previously criticized the Conservative Party leader for foreign-policy lapses in connection with the Baltic Sea talks, but he now describes that as "unnecessary cantankerousness."

"I have never felt that the Conservatives want to pursue a different foreign and security policy than that being pursued by the government," said Westerberg, and he described Carlsson's May Day message as campaign smoke.

Usual Tactic

"Carlsson exasperatedly emphasizes the value of unity in foreign policy, but at the same time, he is cultivating those differences which should be able to come out in a free debate. He is doing that to get the voters alarmed over the possibility of a nonsocialist government."

Westerberg says it is a traditional Social Democratic tactic to claim that there is discord among the nonsocialist parties. But that if we united, the immediate result would be a rightwing policy, and that is why he is attacking the Conservatives.

"But on the contrary, experience from the 6 years of nonsocialist government shows a foreign and security policy that was supported by the Center and Liberal Parties," said Bengt Westerberg, and he referred to Olof Palme:

"He said that the foreign policy beginning in 1982 was in line with the policy that the Social Democrats also wanted to pursue."

During those years, both Center Party and Liberal Party ministers sat in Arvfurst Palace and guided foreign policy.

Conservative Minister

Westerberg does not rule out the possibility of a Conservative minister of foreign affairs in a future nonsocialist government:

"It is the government's policy that applies, not the individual minister's policy. I would be just as severe in criticizing a nonsocialist minister of foreign affairs as we

once were in our criticism of Lennart Bodstrom when he was in the Ministry of Foreign Affairs. That notorious press dinner was Bodstrom's personal mistake, and one cannot say that it was representative of the government's foreign policy. Ministers of foreign affairs must be particularly aware that they can adjust their policy and represent the interest of the entire nation. The current minister of foreign affairs, Sten Andersson, is a master at that art," said Westerberg.

Same Policy

The Liberal Party leader feels that Carlsson exaggerated the differences among the parties on foreign policy issues when, as a new prime minister, he once declared during the debate on South Africa that both the Liberal Party leader and the then Center Party leader, Karin Soder, were incompetent.

"That time, it was not very long before Carlsson adopted the same policy as the middle parties. We can also criticize the Social Democrats for deviating from policy back when they reneged on the 1-percent goal in foreign aid for a period of time," said Westerberg.

Criticism of Center Party

During a question-and-answer period at Vastergard High School in Sodertalje, Westerberg was asked about the ability of the three nonsocialist parties to stick together on various issues, and Westerberg took that opportunity to criticize the Center Party, which he accused of taking a somewhat populist approach and proposing reforms without being able at the same time to show how those reforms would be paid for. But Westerberg said that the worst offenders in that respect were the Environment Party and the VPK, for which he was applauded by the young high school students. But the Center Party is showing tendencies in the same direction, and a little more discipline is needed, said Westerberg.

FEDERAL REPUBLIC OF GERMANY

Current, Projected Military Aircraft Programs Reviewed

36200123 Bonn WEHRTECHNIK in German
May 88 pp 33-47

[Unattributed article: "Major Programs of German Aircraft Industry"; first paragraphs is WEHRTECHNIK introduction]

[Text] The following article reports on the major development and production programs of the German aerospace industry. Of necessity, the focus is on military programs. As regards civil aviation, the article will only deal with larger aircraft and helicopters. The article on this year's International Aerospace Exhibition (ILA'88) also covers the German space program which has become of interest to the industry both in terms of technology and budget. The military programs include a surprisingly large number of international projects. Purely national projects are becoming fewer and fewer. As a result of the international aspect of the various programs and—often enough—German indecision progress is not always as rapid as the participants hoped at the outset. This will be apparent to readers who compare the present status of the projects described below with that of 2 years ago when WEHRTECHNIK reported on the programs of the German aerospace industry in connection with ILA'86. Under the circumstances, it may be assumed that many of the target dates listed below will be ultimately moved up by several years.

Aircraft

Naturally enough, the German aerospace industry is quite excited about the Fighter 90 development program. Its importance lies not only in the full utilization of the industry's development capability but also in the need not to fall behind the other European partners in terms of technology. Fighter 90, the European Fighter Aircraft or EFA program, is the subject of a separate article; but there are a number of additional large-scale and small-scale programs of importance for the aerospace industry in the military sector, e.g., the Tornado production program which by latest estimates is likely to run until 1994; the antitank helicopter PAH-2 and the largely inconspicuous NH-90 project as well as some combat effectiveness upgrading programs. In the civilian sector, the most striking project involves participation in the European Airbus program. The only other production line project worth mentioning is the Do-228. So as not to have the Airbus turn into a monoculture, MBB is collaborating with the Chinese on the MPC-75 passenger plane and Dornier is planning to build a 30-seat aircraft designated as the Do-328. Production plans for the more distant future include the FIMA military transport aircraft, or FLA (Future Large Aircraft) as European nomenclature has it, which is supposed to replace the present C-130's and C-160's. This article does not cover

numerous minor civil aviation projects involving general aviation and private aircraft. Some of the lesser German aircraft builders are worldwide leaders in this field, particularly in the use of plastics in aircraft construction.

Tornado

At ILA'88, more Tornado models will be presented than ever before at an air show. The Luftwaffe, the German Navy, the RAF, i.e., its ADV, and the Italians will all be showing their version of the aircraft. By now, some 700 Tornados have come off the assembly line. They have logged more than 300,000 flying hours and have a lower-than-average accident rate—which is all the more remarkable since the planes are flown in extreme conditions for the most part. Thus far, 929 series-produced Tornados are on order, i.e., 394 by Great Britain (including 165 ADV's); 355 by the FRG (including 35 ECR's, i.e., the electronic combat reconnaissance version of the aircraft); 100 by Italy; 72 by Saudi Arabia (IDS's which have already been delivered as well as ADV's) and a total of eight ADV's by Oman. The sixth series is currently being delivered. Monthly series output presently stands at six. Maximum output was nine aircraft per month. By the end of 1991 the rate will go down to three. The output rate of three per month is likely to be retained on the eighth series as well. That particular series could include 35 IDS's for the German Luftwaffe; 16 ECR's for the Italian Air Force; 15 plus 15 aircraft as a revolving reserve for the RAF and eight IDS's for Jordan. By that time, more than 1,000 Tornados will have been built, more than anyone expected at the outset.

Final assembly of the export aircraft, to be sure, took place in Great Britain but 35 percent of the subcontracting work was performed by German industry. Given the orders on hand and the advance orders, assembly line production of the eighth series should run through about the middle of 1994 at which time Fighter 90 production could take over. Hopes for additional orders are not being abandoned. There may be a chance to sell up to 40 of the aircraft to Turkey and to export additional ones to the Far East, i.e., to Japan despite its decision in favor of the F-16 as well as to South Korea, Malaysia, Singapore and Indonesia. Nor have hopes of selling the aircraft to the United States been given up entirely. The U.S. is said to need about 150 escort jammers and the ECR version of the Tornado might possibly fill the bill.

The FRG and Great Britain in particular have already started thinking about upgrading the Tornado's combat effectiveness. The FRG will install the so-called Upgrade 1 program on its Tornados. It will become an integral part of the German aircraft of the 7th and 8th series. The program has already been installed on the German Tornados equipped to shoot down HARM missiles. In addition to the HARM integration, the program includes a MilBus and a missile control unit.

The ECR version of the aircraft, presently being developed at a cost of some DM300 million, is based on this combat effectiveness upgrading program. The test flight of the ECR version of the remodeled P-16 preproduction model is to take place in November 1989. Delivery of the production models of the 7th series is planned for late 1991. Italy will be responsible for part of the Upgrade 1 program and will also assist in the development of the ECR version. No decision has yet been reached on whether the Italian Air Force is to take delivery of 16 additional ECRs or whether 16 of the 100 aircraft already flying will receive the upgraded equipment.

The ECR version will be used for penetrating tactical air reconnaissance and for autonomous, selective strikes against enemy air defense positions equipped with HARM missiles. Toward this end, the ECR version will receive emitter locator systems from Texas Instruments, a Honeywell infrared line scanner and a Zeiss thermal imager as well as a so-called ODIN (operational data interface) system to transmit reconnaissance data to other aircraft.

Thirty-five additional Luftwaffe Tornados to be ordered as part of the 8th series are to be brought up to ECR standard—minus the reconnaissance systems. There are budgetary problems regarding these aircraft in that the FRG government wants to pay for them only after the industry has built them. Great Britain, too, is thinking of installing EW equipment on its future Tornados. Starting about 1991, Great Britain also intends to upgrade the combat effectiveness of its aircraft.

F-4F Combat Effectiveness Upgrading

The Luftwaffe employs its F-4F Phantom IIs both as fighters and fighter bombers. These aircraft which were placed in service in the mid-seventies are no longer threat-adequate in their fighter role. But since the Phantoms must remain in service beyond the year 2000 when the Fighter 90 will be ready for action plans have been drawn up for a thorough upgrading of their combat effectiveness. Once the tactical assessment for such upgrading was approved in October 1983, German industry under the leadership of MBB began to work out the conceptual designs. The development stage which began in late 1986 calls for expenditures amounting to some DM400 million. The procurement stage calls for an expenditure of about DM1.2 billion. This will pay for the modernization of 110 aircraft assigned to air defense operations and an additional 35 assigned to air attack.

The aircraft to be upgraded starting in 1991 will include the following new features: a Hughes APG-65 radar system to be built for the most part by AEG under a licensing agreement which will provide the F-4F with lookdown/shootdown capability; adaptation to the AMRAAM missile by means of a special launcher and an additional (LITEF) mission computer; a Honeywell-built inertial guidance platform and laser gyro and a GEC Avionics flight data computer.

RF-4E Combat Effectiveness Upgrading

The Luftwaffe's two RF-4E reconnaissance air wings are also earmarked for combat effectiveness upgrading. The appropriate tactical assessment has been submitted and work on the upgrading program has reached the planning stage. The purpose of the upgrading program is to enhance aircraft safety and reconnaissance accuracy. Under the upgrading program, the aircraft are to be equipped with a more accurate inertial guidance platform and reconnaissance quality is to be upgraded with the help of an infrared line scanner; the present sidelooking airborne radar or SLAR equipment is to be retained. The plans also call for the integration of an operational data interface to improve communication between the reconnaissance element and the attacking aircraft. This will make it possible to transmit reconnaissance data directly and almost instantaneously to attacking aircraft flying sorties. Efforts are being made to achieve maximum conformity between the new equipment and the equipment to be installed on the ERC model Tornados. Once again, MBB will be the prime contractor and will thus also be responsible for the integration of the new equipment.

Alpha Jet

Up to 1987, the Luftwaffe carried out a thorough analysis on how to upgrade the combat effectiveness of its four Alpha Jet air wings. The Alpha Jet is a light attack aircraft optimized to provide offensive air support, i.e., close air support on the battlefield, and to block the access of enemy units immediately ahead of the FEBA. In line with the decision of the military command council to assign engagement of enemy units to the ground forces up to a depth of 100 km beyond the FEBA, however, this upgrading program was abandoned and no follow-on model is planned. As a consequence, the Luftwaffe has drawn up a new operational concept for this aircraft which continues to assign close air support and battlefield interdiction functions to the Alpha Jet. In addition, the aircraft will carry out certain defensive missions in army corps rear areas, e.g., attack helicopters and protect airfields.

The modifications presently planned are designed to make Alpha Jet flight operations safer and more efficient. This includes upgrading of the engines to the C-20 standard, which is expected to lower operating costs. In addition, the upgrading program calls for installation of an inertial guidance platform and landing gear improvements. The Luftwaffe is also looking into the possibility of making greater use of the Alpha Jets in order to save on Tornado flying hours.

X-31A Experimental Aircraft

About 10 years ago, MBB drew up plans for a supermaneuverable aircraft operating in the post-stall range with attack angles of up to 70 degrees. Now, this X-31A

project is being pursued on the basis of a German-American agreement. Twenty-five percent of the cost is being borne by the FRG government and the remaining 75 percent by DARPA and the U.S. Navy. The prime contractor is Rockwell.

The project which also goes by the name of "enhanced fighter maneuverability" or EFM in the United States calls for the construction of two flight-ready prototypes by 1990. MBB's part in development and production is limited to the carbon fiber plastic wings. To achieve its high degree of maneuverability, the F-404 engine is to be equipped with thrust vector controls.

The results of the flight tests will be of benefit to both countries. They can be utilized in future attack aircraft development. It is doubtful, but nevertheless possible that the European Fighter 90 will be upgraded to operate in the post-stall range at some point. As for the U.S. Navy, it could take advantage of the post-stall range in the development of future carrier-based aircraft enabling them to make extremely slow approaches and virtually to "drop down" on the carrier deck.

AWACS

Between 1980 and the middle of 1985, the Dornier Repair Facility installed and tested the mission avionics in 18 Boeing E-3A AWACS early warning planes. Since 1986, Dornier has also been the prime contractor responsible for maintenance of the AWACS fleet. The maintenance work is being done in collaboration with some 25 subcontractors throughout Europe and Canada.

Dornier has also been named prime contractor for the conversion of three used Boeing 707's into so-called Trainer Cargo Aircraft or TCAs to train pilots and engineers on the AWACS plane. The cockpits of these aircraft resemble those of the E-3A's and the aircraft themselves are equipped with an APU and a refueling connection to practice in-flight refueling.

MPA-90

The German Navy currently uses 15 Atlantic-1's as long-range maritime reconnaissance aircraft and as anti-submarine fighters. Four additional aircraft of this type are employed on communications intelligence missions. The original plan was to replace these aircraft whose combat effectiveness had already been upgraded once before with the MPA-90, a maritime patrol aircraft, by about 1995. An earlier version of this aircraft went by the designation MPA-70. Several proposals were analyzed during the planning stage, i.e., the Airbus A-320; the Atlantique 2 either unchanged or modified and the Lockheed P-3C Orion with its Update IV mission avionics package. During the definition stage (commencing in September 1986) only the Atlantique 2 and the Orion including the Update IV package are being considered.

The Atlantique 2 which is now going into series production for the French Navy was jointly developed by Dassault and Dornier. Dornier is also taking part in the production of Atlantique 2 for the French Navy (whose needs are given as 42 aircraft). The performance characteristics of the Atlantique 2 are not up to the standards of the FRG Navy, i.e., to an aircraft to be operational around the mid-nineties in the North Atlantic in conjunction with the MPAs of the other NATO allies. This applies in particular to the sensor equipment (i.e., radar and sonar) and also concerns the lack of a Link-11 system required for fast, automatic in-flight exchange of data. To be sure, the Atlantique 2 could have been modified to meet German specifications but the development costs would have amounted to DM600 million. These funds have neither been earmarked for this purpose, nor was France prepared to foot more than 10 percent of the bill.

Thus, everything concentrated on the Lockheed Orion with the Update IV the development of which was awarded to Boeing in July 1987 in competition with Lockheed. There is a teaming agreement between Lockheed and MBB regarding the MPA-90.

However, an entirely new dimension was introduced into the MPA-90 selection process when the U.S. Navy called for an Orion follow-on model designated as Long Range ASW-Capable Aircraft or LRAACA. On 16 February, Boeing, Lockheed and McDonnell Douglas submitted their proposals. The final decision on these proposals is expected by September 1988.

Boeing proposes a navalized 757 with two 2037 Pratt & Whitney engines. MTU is taking part in this development.

Lockheed's proposal calls for an upgraded version of the Orion equipped with General Electric GE38 engines and Hamilton five-blade propellers.

The McDonnell Douglas is offering the P-9D, i.e., an MD-87 or DC-9 follow-on model, equipped with two propfan engines—either General Electric UDF engines or similar Pratt & Whitney and Allison engines (with drive units).

At this time, the U.S. Navy is asking for 125 Update IV-equipped LRAACAs. Since a total of 205 such packages were ordered, the remainder is to be used to upgrade 80 P-3C's presently in use.

Even in the United States not every program can be carried out for lack of money these days. Perhaps in order to make the LRAACA program "more secure," the decision was made to place it on a more international footing by proposing to the FRG that it collaborate in the development and production process. Negotiations toward this end will take place between the United States and the FRG. In view of the fact, however, that only 12 MPA-90's are needed German participation in the

project would be quite negligible. At this time, the German Navy would rather have a modified version of the P-3C. The other models would be too large, particularly the 757's. On the other hand, both the Boeing and the McDonnell Douglas proposals also offer advantages—especially to the U.S. Navy. In view of their faster cruising speed, i.e., 800 kph, the P-9D's would be faster than the present propeller-driven P-3C's (which have a cruising speed of 560 kph) in the area of operations. They would also have a longer duration of flight and this, in turn, would help the U.S. Navy cut down on the number of aircraft. McDonnell Douglas points out that the number of aircraft could be reduced by 30 percent if P-9D's were used in place of the P-3C's and that this would reduce fuel consumption by 50 percent. The upgraded Lockheed P-3 would also save fuel, using 25 percent less than the present model.

It remains to be seen to what an extent FRG participation in the LRAACA program might influence the decision by the U.S. Navy. To be sure, the American firms are already trying to get German firms to participate. General Electric, for instance, is already contemplating the use of a ZF drive unit for its GE38 engines.

While the U.S. Navy is planning to introduce the LRAACA by 1994, the FRG Navy has postponed introduction of the aircraft until 1997 for financial reasons.

As might be expected, this possible German-American collaboration has not let the French rest. President Mitterand has already sent a letter on this subject to Chancellor Kohl proposing joint development of a future MPA to be operational sometime after the year 2000. For the FRG, to be sure, this would call for substantially higher development costs than the DM100 million already earmarked for the MPA-90. What is more, the combat effectiveness of the present Atlantic 1s would have to be upgraded yet once again.

C-160 Transall

A total of 89 C-160 Transall transport planes are presently in use in the Luftwaffe. The primary purpose of an ongoing combat effectiveness maintenance program is to keep these planes operational up to about the year 2010. Originally designed for some 5,000 flights (for an average of 1.2 hours of flying time), the C-160's are to be upgraded to 12,000 flights. MBB Bremen's present lifetime extension program LEDA I/II calls for strengthening the wing midsections. A subsequent LEDA III program would concentrate on the remaining structural improvements. In addition, the planes' navigation systems are being upgraded and there are plans to improve their flight control avionics systems.

Transall Follow-On Model

As of the year 2000, a new transport aircraft will be needed to replace the C-160 Transalls (in use in the FRG, in France, Turkey and South Africa) and the

C-130 Hercules great numbers of which are in use worldwide. Toward this end, Aerospatiale, British Aerospace, Lockheed and MBB formed a consortium in 1982 which was named FIMA (or Future International Military Airlifter) after the projected aircraft. On 3 December 1987, when the original agreement ran out, the four firms concluded a new agreement which was joined by Aeritalia and CASA.

Helicopters

Development and production of helicopters in the FRG is concentrated almost entirely at MBB. Dornier is active in this field to some extent, producing the UH-1D model under a licensing agreement as well as some on-vehicle equipment for modern helicopters. The MBB plant at Bremen is responsible for the helicopters used by the FRG Navy. At present, MBB is carrying out a combat effectiveness upgrading program involving Sea King helicopters which are slated for use as attack helicopters. The FRG helicopter center as such is located in Otterbrunn where the Franco-German PAH-2 antitank helicopter is being developed. Next year, the NH-90 NATO helicopter is to enter the development stage at Otterbrunn and the PAH-1 is to be converted to night operations capability. In civil aviation, MBB has had particular success with the BO-105 and the BK-117 in the rescue helicopter market. These helicopters are continually being improved and/or are being replaced by newer models. MBB participation in the Eurofar project to build a civilian swivel-rotor aircraft is still under study.

BO-105

Thus far, MBB has produced some 1,100 twin-engined BO-105 helicopters weighing up to 2.4 tons. These include 100 liaison and observation helicopters and 212 PAH-1 antitank helicopters for the FRG ground forces. By this time, the helicopters have logged some two million flying hours, one particular helicopter having logged a total of 15,000 hours of flying time. In the civilian sector, various BO-105 models are used for offshore missions by the police and in rescue operations.

MBB is working in a variety of ways to improve this helicopter model. Among other things, tests have been conducted with five-blade hingeless rotors as well as with fully hingeless rotors.

The 20 BO-105 antitank helicopters ordered by the Swedish Armed Forces are currently being delivered. In many respects they resemble the PAH-1 but are equipped with a digital TOW weapon system.

PAH-1 Combat Effectiveness Upgrading

In line with a tactical assessment approved in late December 1987, the combat effectiveness of the 209 PAH-1's used by the [FRG] Army Air Force will be upgraded at a cost of DM1.2 billion.

The combat effectiveness upgrading program will proceed in two stages. The first stage will include the following:

Performance upgrading to meet the 250C20R3 standard through replacement of the compressor module.

Use of new-type rotor blades which increase lifting power by some eight percent.

Measures to reduce weight, e.g., by installing a digital guidance section for the Hot missile and by using more lightweight missile carriers.

At the same time, a study will be made to determine whether maximum liftoff weight can be increased to 2.5 tons. The start of the installation of these modifications is expected for late 1990.

The second stage calls for converting the helicopters to night operations capability. This will include a weapons optical system on the roof of the helicopter complete with thermal imager; a pilot optical system and thermal imager or third-generation image intensifier goggles in the nose; both a passive and an active safety system.

In addition to MBB, Leitz, Eltro and Buck will be responsible for making these adjustments.

The components are to be installed as of late 1992 so that by about 1993, i.e., 5 years prior to the introduction of the PAH-2, a night operations capable helicopter will be in service whose operational performance will be superior to that of present models.

Escort Helicopter 1

In line with the February 1987 approval of the tactical assessment "arming the BO-105M liaison helicopter with surface-to-air/air-to-air Stinger missiles" designed to help improve air mobility of the ground forces, the BSH-1 escort helicopter has entered the planning stage. This helicopter is to be armed with four Stinger missiles. One possibility would be to convert the 54 army air force BO-105 liaison and observation helicopters. Another would be to purchase new helicopters—which MBB justly hopes might be the BK-117. The crucial question would seem to be whether the procurement funds can still be programmed.

Starting in midyear, field trials are planned to help determine how an escort helicopter can be used in conjunction with other army systems and what type of sensors such a helicopter needs to be equipped with.

BK-117

About 150 3.2-ton BK-117 helicopters are now in use worldwide. In the United States in particular they are being used as rescue helicopters. MBB is the market

leader in this field in the U.S., which has just about offset the decline in helicopter sales in the offshore sector. The BK-117 fleet will soon have logged 100,000 hours of flying time.

The BK-117 was developed and is being produced jointly with Kawasaki of Japan. Approved for instrument flight, the aircraft is now also authorized to install higher-performance Lycoming LTS750 engines. The problems with this engine do not apply to the BK-117, since the engine is only being operated at flatrated levels in this instance. A military test and demonstration model of the BK-117 equipped with a gun turret on the underside of the fuselage and external weapon stations has been in the air for about 1 year.

Meanwhile, a plastic fracture airframe BK-117 has been built as a kind of technological demonstration for the use of plastics in the construction of the PAH-2 and the NH-90. The plastic airframe is about 70 kg lighter—which corresponds to the weight of one additional passenger. If this type of airframe ever goes into series production, MBB hopes it will cost no more to produce it than the present airframes.

MBB pins its hopes on selling this aircraft to the Bundeswehr, e.g., as the BSH-1 escort helicopter. There is a possibility that the Army Air Force may establish a BK-117 squadron made up of leased helicopters—as in the case of the BO-105's some years ago—in order to test this model. If the Bundeswehr were to purchase a number of BK-117's, interest abroad in the military version of this helicopter would not doubt be greatly enhanced.

ALH

In July 1984, MBB concluded an agreement with the Indian government to help develop an advanced light helicopter (or ALH). By now, the first prototype is being built by Hindustan Aeronautics Ltd. The initial flight is scheduled for about 1990. India would like to play a large part in the development and/or production of the helicopter as possible which at times has resulted in certain delays.

The ALH, which has a takeoff weight of about 4.5-5 tons, has been designed as a modern, twin-engined follow-on model to the UH-1. Various plastic components are being used in the ALH airframe. The four-blade, hingeless rotor is driven by two TM333 engines. The rotor head and the drive unit were both developed by ZF as an extremely flat integrated, dynamic system. Many MBB innovations in plastics construction and the arrangement of rotors have been used in building the ALH. Conversely, a number of new ideas emanating from the ALH project are being applied in the construction of other MBB helicopters. The rotor arrangement, for example, represents a fallback position in case problems

should arise during the development phase of the main rotor for the PAH-2. MBB also has an option to market the ALH; the number in question would supplement the BK-117.

UH-1D

The Bell UH-1D was built for the Bundeswehr during the sixties and seventies under a licensing agreement by Dornier. This helicopter is to remain operational in the Luftwaffe and above all in the Army beyond the year 2000. The actual date given is 2008. It stands to reason that this cannot be done in the absence of a service life extension program. But the defense ministry has yet to decide on the parameters of the program itself and on possible additional improvements. The industry and in particular Dornier suggest that modern plastic blades be installed which Dornier could provide under a licensing agreement with Bell. In addition, steps should be taken to reduce vibration and engine performance might also be boosted. Another question being analyzed is whether the UH-1D could not be equipped to perform command functions for example.

PAH-2

When the governments of France and the FRG concluded an agreement on the development of a joint attack helicopter in May 1984, it could not be foreseen that actual development would not begin until an amendment was drawn up and signed 3 and 1/2 years later. The original plan was to develop three different versions from one basic helicopter model. The two armed forces have now agreed on the construction of one common antitank helicopter, i.e., the PAH-2/HAC. 212 of these helicopters will be built for the FRG and 140 for France. France, however, insisted on keeping its HAP support and protection helicopter (of which 75 are to be built). However welcome this standardization may have been, there was no way of preventing a substantial rise in development costs as a result of more detailed specifications. At late 1987 prices, the FRG cost amounts to DM 2.142 billion.

The PAH-2/HAC is to carry eight Hot or Pars-3 antitank missiles as well as four Stingers or Mistral for self-defense. Flight time is about 2 and 1/2 hours. The empty weight of the basic helicopter is about 3,350 kg; operating weight is given as up to 5,650 kg. A total of five prototypes are to be built. Three of these will be of the basic model and one each of the HAP and of the PAH-2/HAC configuration. The initial flight of the first prototype is scheduled for early 1991. Delivery of the series models is to commence in early 1997. The first aircraft to come off the assembly line will be the HAP and during that same year the first PAH-2/HACs equipped with the Hot missiles are scheduled for delivery. In the following year, the first PAH-2/HACs equipped with the Pars-3 missiles will be ready for delivery. Maximum annual output will be about 60

helicopters which means that all the HAPs will be delivered by the year 2001; all the German PAH-2s by 2003 and all the French HACs by the year 2005.

One important component of the PAH-2/HAC is the European Mission Equipment Package or EUROMEP which consists of an IR-CCD weapons optical system, of the Pars/Hot, Stinger or Mistral weapon system and an IR-CCD pilot optical system for flight control and air-to-air weapon delivery. The HAP has different mission equipment package for firing the nose gun, for the delivery of the air-to-air Mistral and of unguided surface-to-air missiles. While the PAH-2/HAC's optical system is contained in a post-mounted sight, the HAP's optical system is mounted on the roof of the helicopter.

During the development stage, MBB is responsible for the main rotor, the test stand for the dynamic system, the nose assembly including installation of the cockpit, the stern boom, the flight control system and the hydraulic system. Aerospatiale is responsible among other things for the tail rotor (a shrouded "Fenestron" might perhaps be used), the drive system, the fuselage midsection, the fuel and electrical systems as well as the air conditioning and deicing equipment.

To develop the helicopter, MBB and Aerospatiale created Eurocopter, a new firm with headquarters in Munich. The entire project is under the supervision of the Bundeswehr procurement office. But primarily at French insistence a Franco-German supervisory body (which will probably have its seat in Munich, too) is to be established by the end of 1988.

The helicopter has two MTM390 engines, manufactured by MTU-Turbomeca, another newly established joint venture with headquarters in Munich. Rolls-Royce has since become a partner of this firm jointly created by MTU and Turbomeca.

NH-90 NATO Helicopter

After Great Britain dropped out of the running, the participants in the NH-90 NATO helicopter for the nineties project include the FRG (MBB), France (Aerospatiale), Italy (Agusta) and the Netherlands (Fokker). The NATO staff target for the NH-90, i.e., a tactical transport helicopter (TTH) and the NATO frigate helicopter (NFH), was approved in 1985. The first stage of the project paid for by the participating governments was a 14-month feasibility and pre-definition study (FPDS) which ran until November 1986. This was followed in July 1987 by a 12-month definition study at a cost of 15 million ECU (or some DM32 million). By the middle of 1988, the participating firms must submit the definition results and a cost estimate for the development phase to the governments concerned. This development phase is to commence by early 1989, if possible.

Based on previously announced needs by the Luftwaffe and the Navy, the FRG share of the development costs should amount to some 25 percent or about DM1 billion.

Since the NH-90 has not been politicized thus far, both government and industry are calling it a successful project, due to some extent to the efficient collaboration between the two. The Luftwaffe needs a total of 54 TTH's as of 1997 in order to replace some of the UH-1D's. The Navy is asking for 48 onboard and 24 land-based NFH's (to be used as attack helicopters) as of 1998. This means that the frigates of the 123 class will initially continue to carry Sea Lynxes, i.e., the 19 Sea Lynxes will be divided up between eight frigates of the 122 class and four frigates of the 123 class. In all, the needs of the four participating nations amount to 220 NFH-90's and some 400 TTH's. The initial flight of the first of six prototypes is scheduled for 1992.

Depending on the model, the NH-90 has an empty weight of about 4,300 kg and a takeoff weight of eight to nine tons. In that sense, it is a follow-on model of the Super Puma and competes with the American Blackhawk helicopter. The NH-90 has two RTM322 or GE CT7/6 engines each with about 1,500 kw of power. This allows for a cruising speed of some 250 kph. The TTH will carry between 14-20 soldiers or 2,000 kg of supplies. The NFH-90, which is fitted with extremely expensive mission equipment, will be used for antisubmarine warfare and attack on surface targets with Penguin, Sea Skua or AS-15TT missiles. It may also be used on search and rescue missions. The flyaway cost of the TTH is given as some 8.5 million ECU and that of the NFH (because of the more sophisticated equipment) as 16 million ECU.

The firms working on the development of the PAH-2 and the Tonal attack helicopter consider the work being done on the NH-90 a welcome complement to their activities. But the development potential may not be large enough to satisfy the requirements of both projects. Thought is, therefore, being given to not letting the two projects run simultaneously. On the other hand, the work on the PAH-2 and the NH-90 is not divided in the same way among the different countries. The German equipment industry has more to do on the NH-90 for example. The FRG government at any rate is opposed to any further delay in the NH-90 development program; for one thing because there is a desire to avoid unnecessary expenditures for an intermediate phase. The FRG government has already budgeted almost all the development costs. Perhaps the program could be even more broadly based in view of the fact that the German Army is gradually showing interest in the TTH once again. It is unlikely, however, that additional FRG needs will result in a larger German industry share in the development program because of the domestic budget crunch.

EUROFAR Swivel Rotor Aircraft

Following the construction of various prototypes, the United States started on the development of an initially

military version of a swivel rotor aircraft, the Boeing/Bell V-22 Osprey. At that point, it became obvious that Europe, too, would make an effort in this field of technology. Normally, the military would have been asked to fund such a project. But since the PAH-2, NH-90 projects and others have already placed a severe strain on their budgets, the project was made part of the Eureka program (as approved by the research ministers at their Madrid meeting on 15 September 1987). This approval resulted in a 50 to 60 percent allotment of government funds for the 3-year preliminary phase the total cost of which is expected to be DM65 million. The project has been named EUROFAR (European Future Advanced Aircraft) and that is also the name of a five-nation consortium of six firms, i.e., Aerospatiale (France), as project coordinator; MBB (FRG); Gruppo Agusta and Aeritalia (Italy); CASA (Spain) and Westland (Great Britain). 29 percent of the work on the project will be performed by France, the FRG and Italy whereas Great Britain and Spain will each perform 6.5 percent of the work. The German effort is being subsidized by the Ministry for Research and Technology. The French side is primarily responsible for avionics and flight control; the FRG for the propulsion and steering system and Italy for the structural work.

EUROFAR is a "mutation helicopter" with wings at the tips of which two slewable rotors have been mounted. In a vertical setting, these rotors enable the aircraft to take off and land vertically. Once the aircraft has reached its cruising altitude, the rotors are placed in a horizontal position, thus transforming the helicopter into a kind of propeller airplane. By this means, the aircraft is able to attain about twice the speed and range as conventional present-day helicopters. At this time, the EUROFAR consortium figures on a maximum takeoff weight of about 13,000 kg. The fuselage is about 20 meters long; the wingspan is 14.5 meters and the rotors are to have a diameter of 11 meters. The aircraft will be able to transport 30 passengers at about 500 to 600 kph over a distance of 1,000 km.

The goal of the present phase is to develop the major technologies for such an aircraft, e.g., non-ballbearing rotors, propulsion units, digital fly-by-wire flight controls and fiber construction designs. In addition, a demonstrator in this order of magnitude is to be defined, using existing engines with 3,000 kw of thrust. The decision on the construction of such a demonstrator is to be made in the middle of 1990. The initial flight of the demonstrator could then be scheduled for late 1994. If no subsequent problems were encountered, the first production model could fly about 3 years after that and an advanced model might be ready by about 2001. By that time the program will have cost some 800 million ECU or DM1.7 billion.

Initially, the industry envisages a predominantly civilian role for the EUROFAR, e.g., as business, regional and commuter aircraft and offshore supply aircraft. In

densely populated areas, to be sure, the necessary infrastructure such as takeoff and landing facilities in the center of cities would still have to be created for the most part.

The military might also make use of the EUROFAR in a number of ways. In particular the long range and high speed of the aircraft are likely to speak for it. The EUROFAR could see service in the area of air mobility, in tactical transport, search and rescue missions, in the transportation of casualties and onboard missions, to name but a few.

09478

FINLAND

Trade Surplus With Soviets Seen Speeding MiG-29 Acquisition

36170066a Helsinki HELSINGIN SANOMAT
in Finnish 12 Apr 88 p 32

[Text] The government has been engaging in preliminary discussions with regard to advancing Soviet arms procurements as a step toward correcting the serious and constant Soviet trade imbalance. Primarily under consideration is an advancement of the Air Force's planned procurement of new fighter planes.

The Air force's entire stock of fighters, Swedish Drakens and Soviet MiG-21-Bis, will have to be replaced during the coming decade, but, according to current plans, they do not intend to introduce new equipment until the latter half of the decade. Air Force leaders have on several occasions stated that it is desirable to continue to apply the principle employed in procuring equipment up to now, namely buying some aircraft from the East and some from the West.

Of all the Soviet fighter aircraft, the MiG-29, presented a few years ago at Kuopio's Rissala Airfield, corresponds best to Finland's needs. The purchase of the MiG-29's the Air Force needs would apparently just barely correct the present imbalance in the Soviet trade.

There is an imbalance of about 650 million rubles, or approximately 4.4 billion markkas, in the Soviet trade at the present time chiefly because of the drop in the price of crude oil. Of the balance produced by the export surplus, 350 million rubles are in a noninterest-bearing clearing account and 300 million in a special interest-bearing account. These fighters will be the only defense equipment procurements Finland will be ordering from the Soviet Union that are capable of having an effect on such a large balance. Probably scarcely anyone in Finland has a clear idea of what the Mig-29 will cost, but equivalent ultramodern twin-engine fighter places cost well over 100 million markkas apiece in the West. There is no reason to assume that the Soviet Union would sell its planes for considerably less than that.

One of the three Air Force fighter air fleets, operating out of Rissala, is currently flying with Soviet equipment. The number of planes it is composed of has not been made public, but the Paris Treaty limits the total number of Air Force fighter planes to 60. If half of the permitted strength were new Soviet aircraft, the Soviet trade imbalance could be more or less eliminated through the fighter purchases.

Rapid Acquisition Difficult for Air Force

The Air Force cannot, however, put new planes into operation very quickly, "even though we do have fairly good technical capabilities in all areas," as Air Force Chief of Staff Col Heikki Nikunen said.

Getting the new type of aircraft into operation will, in any event, be a very big job which, among other things, will require extensive technical preparations and a big training effort and will certainly take several years. Nikunen did not want to estimate how quickly the Air Force could, if necessary, complete this job. "There are, at any rate, no big shortcuts," he said.

According to Nikunen, the Air Force Staff has no knowledge of any possible advancement of the procurements. No one has spoken to the future user of the aircraft about the matter.

11466

Company Defends Role in Arms Exports

36170066e Helsinki HELSINGIN SANOMAT
in Finnish 15 Apr 88 p 23

[Text] The Finnish military supplies and the explosives industry exports its products abroad without any sort of written guidelines. Moreover, the procedural guidelines for export licenses for Finnish military supplies have been passed on informally, by word of mouth. The Hanko firm, Forcit, charged with smuggling explosives, has defended its actions by arguing that its export policy in no way deviates from the common practice.

The company management's written defense, in which they dispute all the charges and demands for compensation, was heard in Hanko Municipal Court on Thursday.

The prosecutor is demanding punishment of the company's general manager, Erkki Wiinamaki, finance manager Johan Signell and former general manager Ove Mollis-Mellberg for continued smuggling. According to the charges, Forcit explosives were exported to Sweden and from there on to third countries without any proper licenses. The government is demanding over 9 million markkas in damages, representing the value of the explosives.

The prosecutor maintains that Forcit's management is guilty of continued smuggling because the company did not report trotyl and nitroglycerin in applying for export

licenses, and that the explosives were then shipped from Sweden to Saudi Arabia, Nigeria, Venezuela and Singapore, among other destinations. Some of the products continue their journey "onward" with unspecified designations.

A lower court decision is expected next summer in the first trial of its kind involving military supplies and explosives.

The court sessions have up to now chiefly concentrated on describing Finnish licensing practices, which were shown to be liberal and diversified. Guidelines have been verbal and the way of doing things flexible.

According to the law, a Council of State export license is required for the exporting of military supplies and explosives. According to Defense Ministry witnesses heard earlier, the purpose of the licensing procedure is specifically to determine the actual destination of each export so that military supplies and explosives are not, counter to regulations, exported to countries engaging in war.

According to the defense, all of the Forcit Company's export shipments have been provided with a proper Council of State export license for Sweden. According to the defense, Forcit did not export explosives to third countries via Sweden, but company representatives were aware that explosives exported to Sweden on the basis of an export license that had been granted might continue their journey onward from there.

According to the defense, the trial in Hanko has been characterized by an attempt to retroactively apply a policy of which officials were unaware. According to the defense, the judicial procedure contains the strange notion of trying to clarify outmoded laws and possible guidelines in a trial that has given rise to widespread publicity.

Kemira's Investigations Will Last Until the Fall

The investigations of the Kemira Company's illicit exports of explosives to foreign countries continue to be conducted. The head of the Customs Administration Investigation Bureau, Juhani Jokinen, said on Thursday that the job they are facing is a time-consuming consideration of documents.

"Nothing decisive has happened recently. The investigation proceedings will probably not be completed before the fall."

Jokinen assured us that new arrests have not been made. Last December the Customs Administration detained two higher-echelon employees who worked in Vaasa factories for questioning.

The head of the Investigation Bureau did not yet know in which court the case might be tried. According to him, it would appear that Kemira is guilty of a crime, but they have not yet ascertained in which prosecutor's area of competence the illicit exporting mainly occurred.

11466

Army To Buy Sisu NA-140 Tracked Vehicles *36170066d Helsinki HELSINGIN SANOMAT* *in Finnish 30 Apr 88 p 17*

Finnish-made tracked vehicles are being procured for the Armed Forces. On Wednesday the government's Budget Committee recommended procurement of Sisu NA-140 tracked vehicles. The purchase will come to about 141 million markkas.

In terms of employment, the impact of the procurement will amount to over 550 man-years. Furthermore, to produce the vehicles, parts from or labor provided by about 40 domestic subcontractors will be required.

According to the Defense Ministry, the mobility of the Army will be improved with these tracked vehicles. Through several agreements, the Armed Forces earlier procured Swedish Bandvagn BV-206-type articulated tracked carriers.

To launch production of a domestic tracked vehicle, the Armed Forces first ordered a tracked vehicle prototype from Sisu. It proved to be feasible for development, after which an 11-unit test series was ordered for experimental use. On the basis of the test results, several changes and improvements were made on the NA-140 before going into mass production.

The new vehicle is built for transporting freight and personnel over harsh terrain. The vehicle is capable of carrying the driver and over 15 passengers. It also moves in water. Sisu advertises that its vehicle is capable of operating "from the Arctic Circle to the tropics."

11466

Brigade 90 Proves Itself in Lapland Exercise *36170066b Helsinki HELSINGIN SANOMAT* *in Finnish 14 Apr 88 p 17*

[Article by Sven Wikstrom]

[Text] Kittila—According to the commanders of the military exercise in Lapland, "Brigade 90" has fulfilled the expectations they had of it in its first performance.

Military exercise commander Lt Gen Martti Alatalo described the speed with which the brigade, equipped with modern armor and antiaircraft guns, moved through the boundless wilderness of Lapland as "an incredible performance."

Their performance has been made easier by the fact that the weather was the worst disappointment during the "Tuisku [blizzard] 88" military exercise. The blizzard meant to test the equipment and the men never materialized. The exercise has so far been conducted in sunny weather and on a spring snow crust that supports men and equipment.

The participants in the exercises ending in target practice operations on Friday did not object to the vacation-like weather. "It's been nice to bask in the sun here," laughed officer candidate Tommi Nykanen, who was scouting new positions. "Spirits have been high for that reason alone."

The surface of the snow supports a man on skis well. The snow does not give way beneath the boots of a man attacking on foot until the afternoon. The state too reaped a benefit from the fine condition of the spring snow. In jeeps the distance was covered swiftly but, despite this, the easy condition of the snow saved them thousands of liters of fuel.

Troops Move by Night

The spring weather conditions also had an effect on the troops participating in the exercise's daytime rhythms. Because of the clear flying weather and the poor protection against air attack afforded by Lapland's few forests, the warring parties moved and skirmished a great deal evenings or nights. During the brightest time of day the troops often went into hiding to escape the busy air activity.

Despite the few wooded areas, concealing the 13,000 men who were participating in the exercises and their hundreds of vehicles in the wilderness of Kittila was not a problem. The large force vanished from sight into an even larger wilderness. "By remaining under cover for too long, however, they were tended to crowd together with their equipment," the commander of the exercise protested. "Then they could easily be destroyed at one blow."

About 8,000 recruits are taking part in the biggest military exercise in Pohjois-Suomi. "Since most of them have only been in training for 8 weeks, there are shortcomings," Alatalo said. About 3,500 reservists are participating in the exercise and over 2,000 vehicles have been moving over the roads and through the forests of Lapland for a week and a half now.

The tanks at Parola simulated invading superpower forces as realistically as possible. In the opinion of First Sergeant Harri Saastamoinen and tank unit commander, officer candidate Ville Salonen, the armored troops could not perform their missions with full effect because of strict orders governing movement. "The exercise went off pretty much as expected."

They are trying to keep from damaging forests and stands of saplings through the strict orders governing movement. The tanks have been moving along narrow ruts in the roads, although they would have preferred to move down firebreaks, which are better suited to tanks. There are plenty of them in Lapland.

Of the equipment used by the superpowers, the attackers chiefly lacked only helicopters. The latter had to be imagined to be part of the equipment of the attacking side. There was just no way of doing otherwise.

Mobile Brigade Places Heavy Demands on Its Commanders

In addition to demonstrating the credibility of our defense capability, they set themselves a secondary goal of increasing defense readiness aimed, according to Lieutenant General Alatalo, at commanders and their ability to manage large troop units. Troops must be transported to the right place at the right time and they must be equipped and supplied as well.

"Just providing fuel for a thousand vehicles fully demands its own attention," the commander of the exercise explained why. A half a million liters of fuel will be consumed during the exercise. As a cautionary, example, the general told us about a battalion whose progress came to a stop in the middle of the march because they had to wait for 3 hours while their vehicles were being tanked up. "This sort of thing must not happen."

The faster and more extensively the brigade operates the greater the demands it makes on unit commanders to successfully keep it supplied.

The fact that 3,000 cubic meters of firewood have been set aside for the exercise troops probably speaks best for the need for supplying the military exercise. The troops participating in the exercise will drink 29,000 liters of milk and consume 11 tons of bread.

Tens of Army vans collected from all parts of the country, which crisscross the roads of Lapland perhaps more busily than anyone else, make their own important contribution to supplying the troops. There is work enough and the demand is there. According to one estimate, 25,000 donuts a day were consumed. A soldier's day is ruined if the order to move comes when he is in the middle of the mess line. The orders did come and at the same moment a flood of uncensored Finnish cusswords was emitted by the troops waiting in line under the shelter of the trees.

A 60-bed field hospital was in operation in the Marrasjarvi schoolhouse during the exercise. There was some demand for bed space. About 100 recruits were assigned beds because they had fever. One recruit wound up in the hospital operating room. Splinters from the ammunition

used during the exercise were removed from his shoulder after a cartridge that was in his weapon was [accidentally] discharged while he was cleaning it.

Aside from all the other experimentation, data communication equipment is here to stay, even in the tents. During the exercise one could even use the portable microcomputers while sitting under a spruce tree. A ready-made computer program designed to make the handling of staff orders and paperwork easier was used during the Lapland military exercise.

Throughout the entire exercise a slew of investigators, who will ultimately issue their own directives for the maintenance of defense capability, will be observing what is done and what is left undone.

Antiaircraft Defense and Scarcity of Forests Causes for Concern

In Lt Gen Alatalo's opinion, the small number of anti-aircraft missile launchers and the poor protection against air attack afforded the troops by the lack of forest are the primary causes for concern. According to the commander of the Pohjois-Suomi Military District, it would be best for us to eliminate these concerns too. The missiles have been promised and the sapling forests are growing. "Even now the sapling forests would provide shelter for guerrillas as well as others too in a real situation," Alatalo acknowledged.

On the other hand, Lapland's undulating terrain and relatively few forests provide good conditions for the use of missiles in defending against tanks and helicopters.

Alatalo would like to get modern antitank and antihelicopter weapons for the guerrillas "so that the hunters do not become the hunted." In General Alatalo's opinion, the guerrillas have always played an important role in the Lapland context and in all of Finland. "The forest gives them the opportunity to do this." During the military exercise in Lapland the guerrillas destroyed 20 tanks within a stretch of the road assigned to them that was less than 20 km in length.

Having been tested for the first time in the Lapland military exercise, the brigade, which will meet the demands of the coming decade, has been included in a regional defense system that covers the country. The plan is to equip some of the troops who have up to now been slowly poking along, mainly with farm tractors, with vehicles capable of moving cross-country outside the road network. The Pohjois-Suomi brigades would be equipped with tracked vehicles that can be driven in snow and on soft, treacherous marshland.

"Skis and bicycles continue to be the Finnish soldier's means of transport. It's just that they are no longer used for long movements, which are handled with machine power."

Southern Finland defense brigades are equipped with armored carriers. As for armament, all of them have to be capable of engaging in independent actions and of warding off attacks in which helicopters and tanks will most likely be used. The brigades include heavy anti-aircraft and antitank units in addition to infantry units.

The current plan is to equip the troops with different kinds of night-vision and sighting devices so that they can also operate in the dark. It would cost from 500 to 700 million markkas to equip one brigade. In the opinion of the Parliamentary Defense Committee, this sum could be taken from the state coffers so that the defense credibility of the Armed Forces would be preserved. On the basis of the funds granted so far, it can be predicted that half of this sum will not be forthcoming.

"Here You Have To Do It Just Like This"

This is the first time so-called CSCE observers are observing a Finnish military exercise. In accordance with the agreement signed at the Stockholm followup to the CSCE, CSCE states can send their representatives to observe major military exercises of the other member states.

On Wednesday afternoon the 34 observers sent by the 19 CSCE countries had a chance to familiarize themselves with "Tuisku's" battles. Before doing so, they were told about the objectives of the exercise and they were shown the Army's new medical equipment, among other things.

Nearly all of the observers are military men and 15 of them are serving in Finland as military attaches. There were also civilian observers from Austria, England and Sweden.

The two Blue—that is, Brigade 90—battalions attacked the Yellows in the afternoon on the terrain in the vicinity of Jyrhamavuoma, about 30 km south of Kittilä. First, the observers followed the preparations for the attack and then they advanced to the breakthrough point of the attack in tracked vehicles.

Pens were scribbling on notepads and some of the observers dug tape recorders out of their pockets once the noise of the shooting had subsided and recorded their observations on them.

After the attack, Federal Republic of Germany representatives Col Gunter Mueller-Hellwig and Lt Col Gert-Joachim Juehnk observed with particular interest a T-72 tank "destroyed" by the Blues and continued on their way deeper into the positions of the Yellows, which the Blues had succeeded in breaking into.

"This is very interesting," Juehnk said, while following the advance of the Blues. "The exercise has been well organized and I'm very satisfied with what I've seen," he went on.

Juehnk said that he was convinced that Finland is capable of defending its territory in Lapland. "Here you have to do it just like this; the infantry must be used here just as you Finns use them," Lieutenant Colonel Juehnk said.

Apparently interested, he also took a look at the latest Finnish Air Force missile, the latest version of the Igla antiaircraft missile, fired from the shoulder. In the West the weapon goes by the name of SAM-14. According to the Stockholm agreement, a CSCE state must invite observers to observe an exercise when over 17,000 men participate in it. Finland decided to invite observers this time to observe "Tuisku" despite the fact that the number of men involved is only 13,000.

"Finland's Invitation Is Not a Precedent"

According to General Staff chief Lt Gen Ilkka Halonen, Finland's invitation should not be interpreted as a precedent. "It goes without saying that we do not feel that other CSCE states are obliged to follow the same procedure when their [exercise] strength is below the agreed-on observation threshold," Halonen said when he received the CSCE observers.

According to Halonen, last year Finland accepted all participant-state invitations. A total of 19 military and civilian observers were sent to 17 exercises. Finland intends to do the same thing this year too.

11466

ABC Protection Stressed in Reservists' War Game 36170066c Helsinki HELSINGIN SANOMAT in Finnish 30 Apr 88 p 13

Wrapped in camouflage-patterned plastic caps with their hoodstrings tightly secured to the fringes of their goggle-eyed protective masks, the men were huddled along the bank of the Laihia River. Nuclear contaminants and poisonous gases had been spread over the area. The men were supposed to clean themselves, see to the cleaning of the equipment and expedite samples of the gas and radiation products to the field laboratory so that an exact determination of their composition could be made. A review exercise was organized in the Vaasa Military Subdistrict of the Pohjanmaa Military District in collaboration with the Weather and Protective Measures School in Tikkakoski, during which a 130-man protective unit for the Vaasa Military Subdistrict was trained.

Review exercises corresponding exactly to this one had not been organized before but, since the plan is to acquire units like the protective unit that has just been trained for each military district, similar exercises will continue to be conducted.

The three-man troika that participated in the command of the exercise was first trained in Tikkakoski. Since these men had been provided with the basic information on the special unit, they were assigned the job of planning the review exercise.

"The goal is for the unit to operate in a completely independent manner. It will also be available for protective missions in peacetime on the orders of the military district commander," said Lt Col Markku Hamalainen, the commander of the protective unit that conducted the review exercise.

Therefore, the unit can be mobilized when, for example, a serious toxic spill or leak occurs.

Pressure Wash and Soap

The cleaning line for men and equipment was set up on the banks of the river. The vehicles were driven through a preliminary wash point, consisting of a copious water spray, to the main wash point. If radioactive radiation was detected on a vehicle, it was sprayed with a cleaning liquid containing chlorine and the vehicle was washed with a spray jet that spits water out under 180 kg of pressure.

Any radioactive dust or flaking paint on the vehicle is removed during the pressure wash.

If there is any trace of radiation left on the vehicle, it is driven to a third wash point.

Not quite as high pressure is used on the line for cleaning the men, but water and soap are among the best cleaning agents for the men. Basically the same formula that is used for cleaning chimney sweeps is used to cleanse them of gases and radioactive dust: soft soap and water.

The men's radiation count is measured at several inspection points. First, the protective clothing is inspected. It is cleaned by beating it with brushes made of spruce sprigs. Seventy percent of the radioactive dust is removed through this shaking process; the rest of the measures eliminate the remaining 30 percent.

The inspection for gas is done with paper poison gas detectors. The color of the reaction of the paper indicates which gas the man is contaminated with. The slips of paper are attached to both the man and his equipment.

Those pieces of equipment that are most contaminated are destroyed while those that have been slightly contaminated are cleaned. Weapons, for example, depending on the type of gas in question, can be cleaned either with an oil-based solution or by using acid or alkaline solutions.

Field Laboratory Determines Degree of Contamination

Once the equipment has been inspected layer by layer, it is the men's turn. It's off with their clothes and into the shower via the radiation detector. The equipment comes out on its own line after cleaning and the men on their own wash-and-shake line. Next come clean equipment around their necks and then it's on to new tasks.

The radiation analysis equipment is set up in a tent and the field chemistry laboratory in a camper. Field conditions have entered the computer age. In the future the chemistry laboratory will, with new equipment and methods that will be in use, also be able to identify heretofore unknown chemical warfare toxins.

The concentration levels detected with the present equipment can be accurately determined within a nanogram under field conditions. The most important substances to be identified through the radiation analysis are cesium and iodine.

More effective measuring instruments and more easily usable protective gear are being developed for use by the protective units. New measuring instruments have been tested in Lakiala and the Protective Measures School will soon be getting them. According to review exercise commander Hamalainen, this sort of equipment will be developed at a swift pace and on a much larger scale as we move into the coming decade.

Review Exercises at a Rate of Once Every Five Years

Special unit review exercises take place at a rate of about once every 5 years. The men are trained very little on an annual basis. Everyone is given 24 hours of training in protective measures during basic training. Squad leaders receive additional information on ABC (atomic, biological and chemical) weapons and flame or incendiary weapons in the course for noncommissioned officers.

From 30 to 40 men per course are chosen for independent protective squads. Training is organized three times a year. An additional 20 to 25 men a year are chosen for protective officer's training. They are primarily trained to be commanders of protective companies.

As a rule, men who have received training in the subject during their basic training days are called on to participate in protective unit review exercises.

Review exercises are often conducted in conjunction with a military unit exercise. Men from protective units participate in all major war games.

NORWAY

Paper Welcomes FRG Troops as Likely CAST Brigade Replacement

36390063 Oslo AFTENPOSTEN in Norwegian
29 Apr 88 p 2

[Editorial: "German Troops to Norway"]

[Text] This past winter the Norwegian government gave the green light for West German combat troops to participate when NATO forces exercise in Norway. The objective military basis for this decision has been in place for a long time. That the political and emotional basis has now been established is indicated by the simple fact that the decision has aroused a minimum of attention and even less protest. It is a natural continuation of post-war Norwegian-German cooperation that, for 33 years, has also included a military alliance within the NATO framework.

Nevertheless, this development should not overshadow the fact that the presence of German combat troops on Norwegian soil awakens different associations in many Norwegians than that of troops from some other countries in the alliance: We—just like the Germans—cannot avoid our part in history. But the decision indicates that close military cooperation is no longer a political burden for a Norwegian government. On the contrary, it would be a burden if there were any doubt about the government's ability to secure NATO-partner West Germany's support in the defense of Norway.

For many years West German air and naval forces have come to Norway for exercises, while communications, transport, and medical units have participated in joint maneuvers on the ground. What is new now, is that the ground forces that, after all, count the most—combat troops—are also being invited to Norway. This decision is important because it removes the last vestige of special treatment toward the West Germans compared to our other allies. But it is also important because it helps secure credibility in the defense of Norway. After the Canadian CAST brigade declined future participation—in part because of severe Norwegian restriction on all foreign troops—the West Germans were the first to agree to earmark a battalion for North Norway, under the condition that other NATO countries also participate. In addition, NATO will be able to exercise in Norway with the West German parachute battalion that is included in the alliance's "fire fighters."

The government's decision comes at a time when Norway and West Germany share a common view on the need to expand East-West contacts. At the same time, we are both highly dependent on the military support of the United States. Conditions are favorable for stronger cooperation in the defense of Western Europe.

PORTUGAL

'Rosa Branca 88' Military Maneuvers Planned

35420082b Lisbon *DIARIO DE NOTICIAS*
in Portuguese 9 May 88 p 24

[Text] Almost 4,000 men and 950 vehicles will take part in the annual "Rosa Branca 88" exercise of the First Independent Mixed Brigade starting today in the Santa Margarida region.

A note distributed by the Army General Staff states that the "Rosa Branca 88" exercise, in which all of the

brigade's units will take part, is aimed at practicing the planning and conduct of tactical operations related to the missions it has been given. The exercise will involve live artillery shelling.

The exercise will also have the collaboration of the Portuguese Air Force, which with its equipment (planes and helicopters) will carry out air support missions.

According to the Army General Staff, the "Rosa Branca 88" exercise will begin with a crossing of the Tagus by some units using assault boats.

09935

DENMARK

Consumers Losing Confidence in Economy

36130059b Copenhagen BERLINGSKE TIDENDE
in Danish 17 May 88 p 9

[Text] Danish consumers still have a negative view of both their own economic situation and that of the nation as a whole. That was shown by a new survey just released by the Danish Bureau of Statistics.

On the basis of the survey, the Danish Bureau of Statistics placed the so-called consumer confidence index for April 1988 at minus 12. To put it plainly this means that Danes do not have much confidence in either their own or the national economy.

The consumer confidence index has been negative every month since April 1986, so the pessimism of Danish citizens is nothing new. If we compare the figure with last month's result, consumers have a somewhat brighter view of things—the figure rose from minus 18 in March to minus 12 in April.

The odd rating figures come from an opinion poll the Danish Bureau of Statistics conducts every month. Either 1,800 or 2,000 people are asked what they think about various economic conditions. A figure such as minus 12, for example, means that the Danish Bureau of Statistics received 12 percent more negative answers than positive ones.

The consumer confidence index is made up of answers to five questions: whether consumers have a positive or negative feeling about their own family economy today, the family's economy a year from now, Denmark's economy this year, Denmark's economy a year from now and finally whether times are favorable for buying durable consumer goods.

If we look at the individual questions, it turns out that Danish consumers have a more positive view of their own family economy than they do of the national economy. In recent years the figures relating to private economy have fluctuated around zero—in other words the Danish Bureau of Statistics has received an equal number of positive and negative answers.

The big variations can be seen in the confidence Danes have in the national economy. After having been positive for several years, confidence took a nosedive in 1986 and has been negative ever since. However the figures for April are slightly more positive than figures for recent months.

In this context, the Danish Bureau of Statistics emphasized that the poll was conducted before the election was announced. A Folketing election is one of the events that can produce violent fluctuations in the consumer confidence index, but we will not know if this is the case until we have the figures for May.

One point in the survey is that the fundamental optimism of the Danish people is still alive and well—in spite of all the problems. Regardless of how negative the answers to the questions have been, respondents through the years have retained a strong belief that "next year will be better than this year."

06578

Farmers Council Chairman on Problems in Danish Agriculture

36130059a Copenhagen BERLINGSKE TIDENDE
in Danish 14 May 88 Sec III p 1

[Interview with H.O.A. Kjeldsen, president of the Danish Agricultural Council, by 'Grimme'; date and place not given; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Danish agriculture has incredible new possibilities—prepared dishes that are followed from soil to table, biodegradable plastic and bioethanol that could replace the lead in gasoline, according to the first man of Danish agriculture, Agricultural Council President H.O.A. Kjeldsen, who relaxes in his spare time with Hemingway or a fishing rod.

[Question] Which party did the Agricultural Council support in the election campaign?

[Answer] None of them. That is a firm principle.

[Question] Does agriculture have a better time under a nonsocialist or a Social Democratic government?

[Answer] I do not want to get involved in the question of whether we should have a nonsocialist or a Social Democratic government. What is important to me is the policy pursued by the government in question.

The refinancing proposal that has been presented could be used in an adjusted form as a starting point for the reforms that are definitely needed. It is my hope that this proposal will be supported by a broad majority in Folketing. We farmers have long been the hostages in a political game. That must stop now.

Hans Olaf Agerup Kjeldsen, better known as H.O.A. Kjeldsen, does not sound upset, but there is weight behind his words. He is Danish agriculture's leading man. He has been chairman of the Danish Farmers Association since 1974, president of the Agricultural Council since 1979 and for more than a year he has been president of the agricultural organization of the EC countries, COPA. He owns Lerkenfeldt, a 600-tonder [unit of measure—1 is equivalent to 0.55 hectares] farm near Ars.

H.O.A. Kjeldsen, who is 56 years old, tried out a lot of things before he became a farmer and a spokesman for agriculture. He was originally trained as a bookseller and then spent several years in the Air Force where he was trained as a navigator.

And Kjeldsen has a quiet sense of humor. When I ran through all the jobs and titles he has held, he said:

"I know my face is well known. When I returned to my hotel after making a speech some time ago, I met a slightly intoxicated man who said he knew me very well. But he couldn't quite remember who I was. When I said, 'Kjeldsen,' he exclaimed happily: 'Quite right, you are the one with the cookies.'"

Economic Catastrophe

[Question] As an old navigator, do you sometimes feel like flying away from everything?

[Answer] No, not at all. There are extremely interesting problems that have to be dealt with. The work can be tough at times. That is a fact, it is not a complaint.

This is a time when it is necessary for a number of farmers to get out of farming and this is often an enormous burden for the families that are affected. I feel an obligation to help them as much as I can—both the farmers who are forced to give up farming and the farmers who keep going. The former must be helped with a pension arrangement, possibly on the EC level, and through retraining to enable them to maintain their self-respect. The others must be provided with better financing systems, better tax laws and reasonable environmental requirements.

[Question] Do you still support EC?

[Answer] We have no chance at all without EC. Because of EC agriculture is still a key sector in Danish society. And we could even be a real growth sector if we had decent working conditions. EC gives us the opportunities. National reasons are solely responsible for the fact that they are not utilized sufficiently.

Our interest burden alone is 2-3 times higher than it is in other countries. When it comes to taxes, we are also far higher than our competitors—and then there are the environmental demands. We would like to help protect the environment, but a number of the environmental decisions that have been made are unreasonable.

[Question] What will happen if the Folketing does not get around to discussing the economic aid program before the summer recess?

[Answer] I think it is highly unlikely that the Folketing will not make the necessary arrangements before the summer recess. Otherwise, many farm families will be hit by an economic catastrophe and a great many people in related industries will be laid off.

In contrast to industry, which I will not criticize, increased production in agriculture means that the entire increase falls in the export area. This means more foreign currency in the national treasury and more jobs. And in addition, we have almost all our raw materials inside the country, while industry must import raw materials or semi-manufactured items to increase production. In other words it is good business for Denmark to support agriculture.

Rich Possibilities

[Question] Critics say that farmers have put too much money into investments.

[Answer] In a branch with 80,000 producers, there are always some who overinvest. But when one assesses developments, one should examine the background. In the 1950's, 1960's and early 1970's, the production apparatus became run-down because farmers didn't know what the politicians were going to do. And then when we joined EC, Ivar Norgaard made the enormous mistake of supporting a number of special regulations which meant that we did not get the production increase we expected.

Later, Anker Jorgensen appointed a committee that actually asked farmers to start making investments. They did so, with the result that many ended up with property mortgages of as much as 22 percent and no production can sustain that.

[Question] Is higher quality the motto for the future?

[Answer] In many ways, yes. Agriculture is not just a protest branch, as some people seem to think. If we have the same conditions as our competitors, many farmers are ready to create new products, new crops. We have prepared an excellent plan that includes research, processing and sales campaigns. And we already sell products to more than 100 countries.

Actually Danish agriculture has incredible new possibilities. Let me mention a few examples. We can produce completely prepared dishes where we follow the product from soil to table and guarantee that it is tasty and nutritious and contains no undesirable residues. One day we will be able to make biodegradable plastic based on agricultural products. And there are big possibilities in the production of bioethanol, which could replace the lead in gasoline. Instead of requiring cars to be equipped with catalyzers that cost 25-30,000 kroner, some of the money could be used for the production of bioethanol.

Farmers Can't Be Standardized

[Question] Isn't it natural for big farmers and small farmers to have different interests?

[Answer] Well...It is clearly documented that almost all full-time farmers who operate their farms with modern techniques are competitive. The advantage of big operations is that cooperative and processing operations are so large that they have the ability and the funds to carry out the necessary production improvements and sales campaigns.

[Question] There has been talk of closer cooperation with the Danish Federation of Trade Unions [LO].

[Answer] We have an excellent cooperation with LO, which has energetically backed the proposals that are now on the table. We agree that the cost level is unreasonable. We have a mutual interest in not just preserving the present employment level but actually creating more jobs.

[Question] Can we really talk about independent proprietors in view of the size of the debt many farmers have been forced into?

[Answer] Many are so hard-pressed that they feel like mortgage managers but there is nothing wrong with independent ownership, I want to make that clear. They have started to give the land back to the farmers both in China and in the Soviet Union.

It is quite in order to try out alternative ownership systems, but most farmers would rather have their feet under their own table. We farmers are very individualistic. People shouldn't try to standardize us.

[Question] How much do you work on your own farm?

[Answer] I like to work and participate as much as I have time for. Especially at harvest time. But dealing with organizational work is a full-time job.

When I travel I always visit museums and exhibits and I always take a book along in my briefcase. Lately, I have read everything Thorkild Hansen has written, for example. And I am very fond of Hemingway. Just to mention a few names. I also go to the theater at times, but not often enough.

And I really love to go fishing. I have never learned to enjoy hunting, but I am very fond of my fishing rod and the peace and quiet one feels when one goes fishing.

ITALY

Milan Most Sluggish of European Stock Markets
35280132b Rome LA REPUBBLICA in Italian
2 May 88 p 41

[Article by Enrico Morelli]

[Text] The Italian stock market is the most sluggish of the European stock markets. In the first 4 months of 1988 the MIB [index of the Milan Stock Exchange] rose by 4.4 percent, whereas Amsterdam rose by 21.1 percent, Brussels by 29.4 percent, and Frankfurt by 11 percent. Only London moved this year at the same rate as the Milan exchange, where the current average prices are the same as those of 2 years ago. How can it be that Italians are not buying at settlement prices? And what about the mutual funds? What has restrained a market that 2 years ago ground out transactions at the rate of 500 billion lire per day (and peaking at 800 billion), whereas today its volume has been reduced to less than one-fifth that figure?

"My clients ought to have 13 percent of their European portfolio in Italian securities, whereas they have only 2 percent," says Enrico Ponzone, who is in charge of the Italian market for Kleinwort Grieveson Securities of London. "I believe," he says, "that next to the Madrid stock exchange the Italian exchange could be the Market of the Year, but it is hard to convince the clients. Since 9 February we have earned as much as 50 percent on some stocks." Foreign investors no longer complain about settlement problems but "engage primarily in trading, that is to say, in short-term operations," says Giorgio Mariotti, general manager of SIGE.

The most serious concerns noted both by foreigners and by Italians are the public debt—which has reached intolerable levels—and the unsuccessful modernization and regulation of the stock market, most notably the insufficient protection of minority stockholders when companies are sold. "Operations such as the one carried out by Gardini with META would not have been possible anywhere else," they say in the City.

"Italy lacks a serious economic policy," says Guido Roberto Vitale, managing director of Euromobiliare, "and the operators are watching and waiting in anticipation of one." Is the perception that a "blow" is about to fall and "freeze" trading an accurate one? "No," Vitale adds, "although the taxes are not onerous, they are going to ferret out the tax evaders; but there will be no impact on the financial markets."

Another contributing factor to the anemic state of the Italian stock market and of the trading at "marginal" prices is undoubtedly the currency deregulation of a year ago. It is estimated that in 1 year investments abroad by the mutual funds and money managers came to the equivalent of approximately 10 trillion lire, 60 percent of which was in bonds and 40 percent in stocks. The Milan

Stock Exchange has therefore lost approximately 4 trillion lire in potential stock purchases. Italian institutional investors are diversifying their portfolios for the benefit of their clients.

Someone who operates on more than one market does not, for example, buy a share of stock in Fiat without having compared the estimated p/e (price-earnings ratio) for 1988 with a share of Peugeot, or a share of stock in Olivetti without looking at IBM. If we too were to make these comparisons, we would discover that the Italian automobile firm costs almost twice as much as the French company (a p/e of 8.5 compared to 4.5) even though Fiat is not just automobiles and in London they are forecasting a record year for the Turin firm ("Turin," they say, "already has 6 months' worth of orders, and because it is already May, the year has actually been completed"). As for Olivetti, it has a p/e of 10.2 compared to 11.3 for "Big Blue," IBM.

The p/e [profit to equity] ratio of the Italian stock market at the beginning of April—13.4—was among the best in the world, according to Morgan Stanley of Geneva: cheaper than the Japanese and American markets. Based on the more significant relation of price to cash flow (which takes into account profits before depreciation), the Italian stock market has a ratio of four—which is very competitive and second only to that of Germany (3.8).

If, however, instead of looking at the basic analysis (the profits of the companies) one takes into consideration the technical analysis, the prospects do not appear to be as good. Those who look at the moving averages, for example, do not expect the return of the bull market until November or December. Is the Italian stock market therefore to be considered "off limits"? "Not at all," Vitale says. "We are rather in the presence of a selective market, and in every sector there are some good stocks to buy. The market will reward those companies that are doing well." To keep an eye on the most interesting companies, one need only look at the p/e of the SIGE table that gives the estimated profits for 1988.

One is struck immediately by the various p/e's of the insurance companies, for they are not comparable to those of the industrial companies. A confidential study completed last Friday in London by Kleinwort Grieveson notes that the Italian insurance market "is—in the case of some sectors—the fastest growing insurance market in Europe. In 1988, life insurance policies will increase by 40 percent and health insurance policies by 30 percent." According to this analysis: "Insurance company stocks will continue to be valued on the basis of a company's total assets, the possibility of takeovers, and the company's strategic position in the insurance market."

Many companies are therefore doing well, but savers fear reverses in connection with the dollar and also fear the Treasury, which devours all the savings it can.

10992/9604

Increased Coal Consumption Seen as Unavoidable
35280132a Milan *MONDO ECONOMICO* in Italian
25 Apr 88 pp 28, 29

[Article by Giuseppe Oddo]

[Text] The environmentalists are almost as hostile to it as they are to nuclear power. The municipalities view it as a threat to their respective jurisdictions. Despite everything, however, coal is destined to play an important role in Italy's future energy plans. It is an almost obligatory choice for a country that has renounced the atom and that wants to reduce its dependence on Middle Eastern oil. This is not easy to do, however, given the resistance of the "Greens" and of a segment of public opinion, to which must be added technical and logistic problems, which are not entirely unrelated. This means that following on the heels of the struggle over nuclear power, there is not the imminent threat of a struggle over coal.

This struggle could be unleashed by the forthcoming National Energy Plan (PEN), the drafting of which promises to be one of the most delicate problems of the new De Mita administration. The environment, public health, energy conservation, diversification, prices, and the trend toward national independence in the production of electric power are the pivotal points in this new PEN. In the absence of nuclear power, however, natural gas, hydroelectric power, and geothermal energy will not suffice to attain these objectives. It will be increasingly necessary to resort also to coal. It is pointless to pretend to be ignorant of this fact.

Italy—which is dependent on foreign countries for more than 80 percent of the energy it consumes—is already the principal importer of coal from the EEC. The ENEL [National Electric Power Agency] buys more than 10 million tons per year from the EEC, and Italsider—the steel company of the IRI [Industrial Reconstruction Institute]—buys 9 million tons, but in the next few years the flow of imports is destined to increase further. The explanation is to be found in the ENEL forecasts.

The ENEL maintains that the demand for electric power in Italy will increase at an average annual rate of 3.25 percent as a result of a 2.5 percent growth rate projected for the GDP. Translated into figures, this means that by the year 2000 demand will reach 315 billion kwh as against 220 billion in 1988. To meet this demand all available sources must be utilized—and still more coal.

At a symposium held in Chicago in late March, ENEL Assistant General Manager Claudio Poggi and Energy Strategy Director Franco Velona stated that by the end of the century the production of electric power from coal is slated to increase from the current 34.3 billion kwh to 143 billion kwh, equivalent to 44.1 percent of the overall demand for electric power.

As a consequence of this massive use of coal, the production of power from hydrocarbons (oil and methane) is expected to remain at around 90.3 billion kwh (27.9 percent). Hydroelectric power production is expected to increase to 59.5 billion kwh (18.4 percent).

Assuming that the Caorso plant is not closed and also that the Montalto di Castro plant will be completed (something that is increasingly doubtful), nuclear power production is expected to reach 17.5 billion kwh (5.4 percent), while geothermal energy and energy from all other renewable sources are projected to total approximately 13 billion kwh (4.2 percent).

There is, however, one substantial difference with respect to the coal-utilization projects of the previous PEN's: whereas in past years the construction of coal-fired megapower plants in Italy was still regarded as feasible, today the ENEL is talking in terms of multifuel plants capable of burning either coal, oil, or methane and equipped with modern devices for the "abatement" of pollution.

The ENEL does not stand alone in the front rank of those thinking along these lines, however. In Milan the Municipal Power Company (AEM) plans to build similar multifuel (including coal) power plants.

"Our objective," says AEM General Manager Augusto Scacchi, "is to produce heat for the city by combining heat-pump cogeneration systems. The first of these power plants will have a heating capacity of 400 megawatts for heating 23 million cubic meters in an area southwest of Milan that has 120,000 residents.

"The use of a single chimney to replace the 2,000 currently existing in the area that have no filters," Scacchi continues, "will ensure a reduction in pollution." At the present time these chimneys are discharging into the atmosphere a total of 560 tons per year of sulfur, which will drop to 190 tons with the advent of long-distance heating.

The total cost of the power plant and the associated distribution system will be 400 billion lire, and the time to completion 10 years. The advantage is that management of the entire energy system is in this way destined to come under the control of a single operator—AEM—which will use a variety of fuels (including coal) depending on their availability in the market and on price, but with respect for the environment.

This is an enormous advantage if one considers that in the large cities urban heating absorbs on the average 30 percent of overall energy consumption—with the consequent waste—and that the most common fuel is still fuel oil, a highly pollutant product. Despite these assurances and the fact that the domestic thermal-electric machinery industry has mastered much of the technology for the treatment of coal, rejection of this energy source is still extremely widespread.

"The pledges to use desulfurizers," maintains Pietro Genco, director of research for the IEFE [Institute of the Economics of Energy Sources] of Bocconi University in Milan, "are not sufficient to reassure the public. In fact, there is not a single municipality in Italy that wants a coal-fired plant.

"Nonetheless," Genco adds, "coal remains a valid option, provided the system equips itself to solve all the problems that are on the table, as for example by introducing dry technology for the abatement of the sulfur contained in the smoke and for disposal of the ashes."

So Much Ash

At the present time, large quantities of ashes wind up in dumps some of which are illegal and represent an attack on the environment. It would suffice, however, through the use of appropriate marketing policies, to promote the sale of the ashes to those industries (cement, for example) which put them to productive use such as occurs in nations that are heavy users of coal, as for example Germany, Great Britain, and the United States.

The environmentalists retort that through appropriate energy conservation programs designed to stabilize the demand for electric power, coal can be dispensed with just as nuclear power has been. The fact is that in 1987 and in the first quarter of 1988, consumption of electric power increased by 5 percent. This should be enough to sound the alarm.

As for energy conservation, it is an objective that all countries pursue. In this sphere Italy should make considerable headway, although its per capita consumption of energy is still modest by comparison with the Americans, Germans, or French.

An energy-conservation consciousness is not created overnight, however. It is not created solely through educational campaigns, but also—and primarily—by means of concrete measures that, for example, restrict freight transport by highway in favor of transport by rail, and that impose very strict standards on industries that manufacture electrical goods.

There is in fact one summary method that might be used to encourage savings in a hurry: one need only make a radical revision of electric power rates and steadily increase fuel prices, realizing however that this affects primarily the most vulnerable social strata.

But who would have the courage to take on the job of announcing to Italians that tomorrow gasoline could cost 3,000 or 4,000 lire per liter? And [who would] also take on the responsibility of starting up the inflationary spiral again?

PORTUGAL

Optimism Revealed in Poll on Economic Future

35420081b Lisbon EXPRESSO in Portuguese
30 Apr 88 p 4E

[Text] Over half the members of the EXPRESSO/Businessmen Panel (51.5 percent) feel that activity by their firms in March improved or improved greatly over the February level. That makes March the second-best period over the past 12 months as far as the expansion of business activity is concerned.

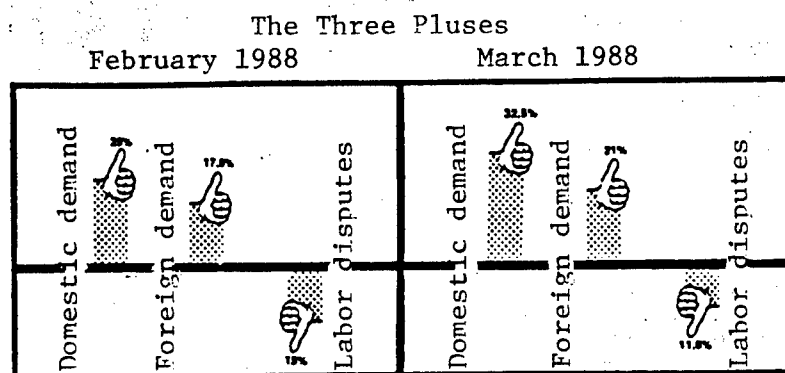
The feeling revealed by the panel is also consistent with the forecasts of investment growth that EXPRESSO has been reporting. That growth will be considerably above the government target in 1988—and may even total more than 18 percent for this year as a whole.

It should be recalled that the difference between extreme responses reached its lowest level in January and then "jumped" by about 35 percent in February. The results of

the March poll show that in fact, the "rough spot" in January was probably caused merely by the slowdown in business due to the yearend closing following the high level of activity in December.

Slower Growth?

While the opinion of the businessmen is clearly positive in comparison with the recent past, a less optimistic trend is observed as far as prospects over the longer term are concerned. Actually, there are still many (74.4 percent) who say they experienced a growth in business compared to the same month in 1987. But that percentage is declining, and for the first time in the past 12 months, the number saying that their business has not changed in comparison with March of last year is now up to over 20 percent (21.1 percent). To their number must be added the 4.5 percent who admit that activity in their firms declined during that same period. A comparison of that response with the previous one leads to the conclusion that although progressing, economic activity is not expanding at the same pace as in 1987. But a 3-month sample is insufficient for making that a definite conclusion.

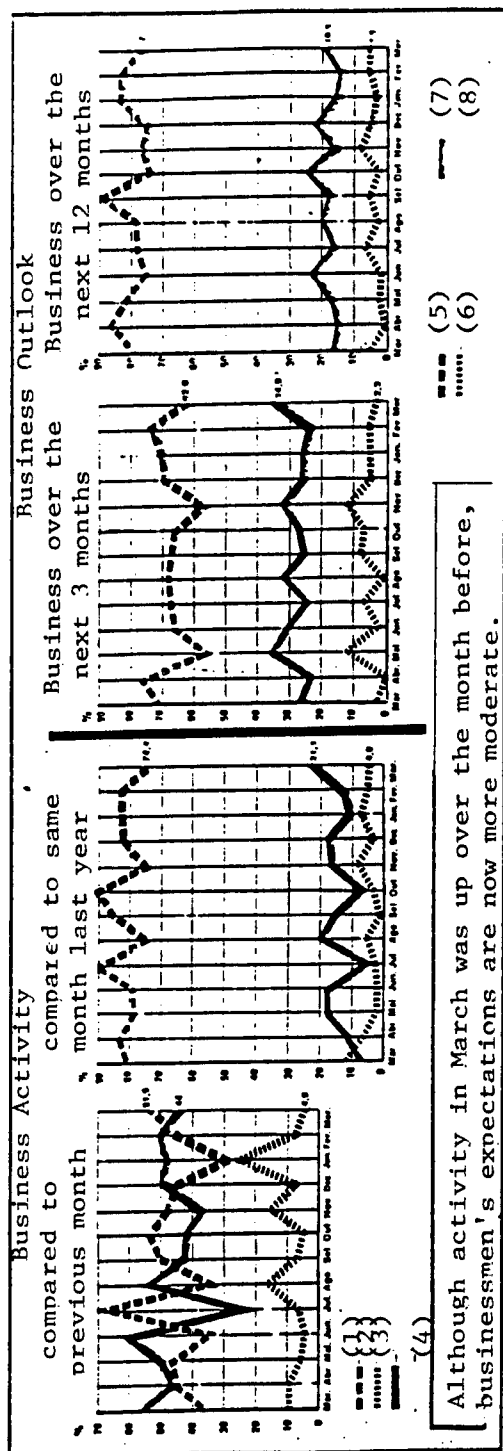


Reflecting the impact of the general strike or of other sectoral strikes in March, 11.6 percent of the respondents in the EXPRESSO/Businessmen Panel mentioned "labor disputes" as the factor having the greatest negative impact on business activities last month.

It should be remembered, however, that labor disputes were named as a negative factor by a larger number (15 percent) in February.

On the other hand, there is now a greater mention of "domestic demand" and "foreign demand" as variables having contributed most to good business performance. Domestic demand is now named by 32.5 percent (25 percent in February). For its part, foreign demand is mentioned by 21 percent (17.5 percent in February).

Thus it is still the general feeling in business circles that market growth, both domestic and international, continues to be the most favorable aspect of the current business picture.



More Moderate Expectations

March seems to have caused some erosion of businessmen's expectations, considering that both short-and medium-term expectations are now less optimistic than they were in the first 2 months of the year. Especially significant is the 10-point drop noted in prospects for the next 3 months: "Only" 62.5 percent of those polled expect their business to grow during the second quarter, compared to the 72.5 percent who held that opinion in February.

The drop in medium-term expectations is less significant, but it is enough to bring activity back to its level at the end of 1987. The trend toward more moderate optimism concerning the future is not surfacing in a dramatic sweep, however, since the great majority of businessmen are still convinced that activity in their firms is going to expand over the next few months.

Basically, the conclusion one can reach from all these data is that the cycle of growth in the Portuguese economy which began in the second half of 1985 shows no signs of coming to a halt in the near future. January was merely an isolated exception to the recent performance of the firms.

It should be remembered that the EXPRESSO/Businessmen Panel consists of a stabilized universe of about 100 managers and businessmen who are opinion leaders in their respective areas of activity, are geographically distributed throughout the country, and reflect approximately the national structure of production. The data forming the basis of the charts below were gathered by means of the monthly poll of that panel. It was conducted during the first 2 weeks of April.

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