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FEDERAL REPUBLIC OF GERMANY

French Diplomat Working in Bonn Through Exchange Program

36200104 Hamburg DER SPIEGEL in German
18 Apr 88 p 45

[Unattributed article: "Getting More Sleep"]

[Text] A French diplomat is responsible for Germany policy at the foreign office in Bonn as a result of an exchange program between the two Foreign Ministries.

If he walks to work, he presents his German ID to the guard at the entrance, says a friendly "Guten Morgen" to him and goes up to his seventh-floor office in the Bonn Foreign Ministry. If he drives to work in his Peugeot with CD plates, he presents his red diplomatic ID which identifies him as a foreigner.

Dominique Lassus, 50, is French. He is an employee of the Quai d'Orsay, the French Foreign Ministry. Since last September, he has a new boss: FRG Foreign Minister Hans-Dietrich Genscher.

Lassus was just finishing a year's sabbatical at Harvard University last summer when he was informed of his transfer to Bonn. Together with a colleague of his, he was to act as a quasi ambassador of the Franco-German friendship treaty and gain inside knowledge of his neighboring country's people, its bureaucracy and its political problems.

Genscher and his French counterpart Roland Dumas agreed on the exchange program in 1986. Two Germans are presently working in the European and Asian directorates of the French Foreign Ministry in Paris. Lassus' job is with Department 210 (Germany policy) of the FRG Foreign Ministry.

Lassus' background is impressive. In 1970, while serving as an attache in Sofia, he visited the FRG and witnessed the first German-German summit meeting between Chancellor Willy Brandt and GDR Minister President Willi Stoph on television, "one of the very important elements of European history." In 1975, he served on the "quadripartite group," a Bonn-based Allied institution for Berlin and in 1976 was transferred to French military government in West Berlin. In 1982, he returned to Bonn, working on Eastern Europe and security policy at the French embassy. Lassus, in other words, is an expert on Germany.

He also has personal ties to Germany. 20 years ago, while an attache at the French embassy in Moscow, Lassus was introduced to Renate, a German au pair with the first secretary of the British embassy there. The two subsequently got married in a civil ceremony in Moscow. A few weeks ago, her erstwhile employer, Ambassador Sir John Bullard, took his leave of Bonn.

Lassus does not count himself among those of his French countrymen (whom he calls typically Parisian) who are enervated by the perennial "German disputes" and simultaneously view inner-German problems exclusively in national terms, i.e., whether the Germans are not the weak link in the alliance and whether they might not succumb to Moscow's or East Berlin's blandishments too readily. "I have come to the conclusion," Lassus says, "that the German-German problems are human problems in the first instance."

Lassus is in full agreement with his current boss' East European and German initiatives. He is not weighed down with the nationalistic reservations of his compatriots and does not follow the line of the German conservatives.

Until last week, he had never seen Genscher. "Genscher is something of a myth," Lassus says. At any rate, he likes it at the Foreign Ministry on Bonn's Adenauerallee. He represents the Foreign Ministry in negotiations with other ministries; he has to go over documents and make notations on them for the minister's office just like his German colleagues. "My job here is that of a German official and as such I represent German interests," he says. At the same time, he is pleased about the fact that, as a French diplomat, he is in a position to read the reports from the German embassy in Paris back to headquarters in Bonn. "There is no censorship," Lassus notes.

In Genscher's name, Lassus has his contacts to the GDR's Bonn representative. There were some initial difficulties but they have been ironed out in the meantime. However some confusion did arise earlier this year when a Far Eastern diplomat called Department 210 for information on Honecker's impending visit to Paris. In the end, the diplomat was able to send two cables back home—one on the West German point of view and the other on the French view of the Honecker trip.

Lassus does have some trouble with the early start of work at 10 past 8 am. "I used to get 1 hour of extra sleep," he says. His German colleagues who join Lassus (who will go back to Paris in June) for lunch at the Foreign Ministry cafeteria have come up with a special suggestion for the second exchange Franco-German exchange program: they would like to get two French cooks next time.

09478

Conflict Between Geissler, CDU Conservatives Intensifies

36200103 Hamburg DIE ZEIT in German 8 Apr 88 p 3

[Article by Carl-Christian Kaiser: "More of a General Than a Secretary—Geissler Wants CDU/CSU To Move Forward but Resistance Within the Ranks Is Growing"]

[Text] Bonn, in April—Throughout its years in the opposition the CDU transformed itself into a modern political party. For the past 5 years it has been running

the government but would still like to retain its identity. The general secretary [Heiner Geissler] has a difficult time of it: he must keep these two conflicting roles alive and must also withstand the tension between them.

It is hard to imagine that Heiner Geissler might get stuck halfway up a rockface and even harder that he would turn back. During his Easter vacation in the mountains, he may instead have recalled a dictum by another mountaineer named Reinhard Karl which he is fond of quoting, i.e., "by making a detour across the mountain-tops I made much more headway than I would have following the promenades on level ground." Geissler will no doubt have ample occasion to think of this saying in the future.

Just back from the French Alps, the CDU general secretary faces a whole mountain range of criticism and adversity. As always, the members of the Bonn coalition are fighting among themselves. On a wide variety of issues, e.g., South Africa, the reform of the health program, tax reform, counseling legislation regarding the abortion law, there are differences of opinion not only between the coalition partners but even within the CDU/CSU.

With every passing day that follows the election to the Baden-Wuerttemberg provincial diet, the relative victory won by [Minister President] Lothar Spaeth and the CDU looks more and more relative to a great many people. The disappointing outcome of the election is not only blamed on the infighting among the members of the coalition and on Chancellor Kohl but most of all on Geissler. An ever growing number of critics feel that the general secretary is moving the CDU to the left by publicizing his studies on Germany policy and social policy and his utopian ideas about opening up the party—much to the chagrin of the party faithful but without any impact on new groups of voters.

The conservative camp is up in arms against Geissler once again. 11 years ago, when Geissler took over as CDU general secretary, a good many were none too happy with the choice. At that time, Geissler still held the post of minister of social affairs in Rhineland-Palatinate and party chairman Kohl, the then minister president of Rhineland-Palatinate, who nominated Geissler was one of the leaders of the reform movement within the party. In those days, people called Geissler a "leftwing Catholic" and feared that he would change the party's outlook. And it was not only the CSU which warned of a new "inflation of demands" as a consequence of the "new social issues" which Geissler and Kurt Biedenkopf, his immediate predecessor, had discovered and outlined.

Geissler has long been known as a social activist but the resistance against his credo has been just as persistent.

But the overall situation has changed dramatically. The CDU has emerged from its opposition role and taken over the government. It has long since acquired an identity of its own both in terms of programs and structure, having transformed itself from a loose association designed to elect a chancellor into a political mass movement boasting a sophisticated, modern party apparatus which claims the right to take part in the long-range decision-making process. Above all, the electorate itself has changed. Instead of solid blocs of voters, as in the past, instead of party strongholds and traditional political views there are many different social environments, tendencies and lifestyles today.

All this has intensified the difficulties and conflicts and Heiner Geissler is surely not the kind of man to pour oil on the waters. Quite the contrary: he is not the one to preach harmony for harmony's sake. In fact, he speaks of the democratic necessity for dispute so often that it is almost beginning to sound as though he had an ulterior motive. At times, his pleas for rough-and-tumble debate sound as though he means to justify his role as a young agitator at SPD meetings years ago when he not only exasperated his political opponents with his acid comments but also a great many other people with his crackpot arguments, e.g., the SPD "pension lie" or the purported link between pacifism and Auschwitz. None of those who have written about Geissler have been able to decide whether the man really means what he says or whether he is just a schemer; whether he is fearless or unscrupulous; a hothead or a coldly calculating individual.

In any event, Heiner Geissler tends to polarize the situation—as only Herbert Wehner did before him, on the other side of the aisle. But someone who causes offense time and again will also invariably come up with new impulses. Even his worst enemies will not deny that the general secretary is like a candle burning at both ends. There is no need of course to go overboard as his old co-worker and ally Ulf Fink, the present senator for social affairs in Berlin and the new chairman of the CDU social committees, recently did when he called Geissler "the most noteworthy general secretary the party ever had." Still, there is no doubt about it: Geissler is a strong figure in his own right, of undeniable quality and far-reaching influence—at the head of an emancipated political party whose identity (and not its selfishness) he continues to sharpen vis-a-vis the CDU/CSU fraction, the coalition and the government itself.

Even vis-a-vis Helmut Kohl? It is true enough that Kohl himself is having a difficult time of it with Geissler, the man he created and discovered, as it were. While in the opposition, Kohl turned the CDU into a genuine political party and as for Heiner Geissler, he has long since ceased to act the part of Kohl's obedient servant. Outside observers have noted that it is Geissler who revitalizes the atmosphere at almost every party congress after one

or another of Kohl's tired speeches with rhetorical pyrotechnics of his own and who almost always gets more applause (at times even ovations) than the chancellor and at times even succeeds in achieving better election results.

Inevitably, there is tension between the powerful chancellor and his self-confident and adroit party chairman. Geissler, it may be assumed, holds the telephone at arm's length now and again when the chancellor starts on one of his long-winded tirades. And the general secretary was not doing himself a favor when he repeatedly referred to himself or had others refer to him as "executive party chairman." Under such circumstances, merely superficial differences of opinion take on the tense air of a tug of war for political or personal power. But even if Geissler frequently comes off more like a general than a secretary, the bond between the two men does not break—perhaps most of all because it would hurt Kohl more than Geissler on the rebound. The division of labor and responsibility continues to work: the chancellor deals with the overarching issues and Geissler takes care of plans and operations.

To be sure, the operational details have begun to turn into a fundamental debate on strategy—at the latest on that June day last year when Geissler and Peter Radunski, the no less hardnosed CDU treasurer, presented the party with their analysis of the January 1987 Bundestag election. The two reached conclusions in this analysis and in subsequent studies of the elections in Hesse, Rhineland-Palatinate and Hamburg which the CDU executive committee formally approved but which the party as a whole did not carefully examine until much later.

The conclusion the two men reached was that the CDU should make a determined effort to attract new voters, particularly younger women and voters under 45, two groups among which the party has been in the minority. Otherwise the CDU would lose touch once again with the desires, thoughts and feelings of an ever growing segment of the population.

That is the main problem which concerns Geissler and his men, particularly Wulf Schoenbohm, the head of his planning staff, and Wilhelm Staudacher, the chief of the political department at CDU headquarters. They fear that the CDU might turn into a dinosaur once again, as it did 20 or even 30 years ago. It would still be able to make an impact but would no longer be able to cope with new political realities and eventually be relegated to an opposition role, as it was back in 1969.

Whenever Geissler touches on this subject, the one-time Jesuit student imperceptibly turns into a kind of penitential preacher, hunching his shoulders and pulling his head in, signaling a desire to go on the attack. At the CDU party congress last November, for example, he belabored the audience by saying: "During the seventies, we did not become the governing party of the eighties by

looking back to the fifties but by looking ahead to the nineties." And his sarcastic response to those who worried that opening the party up would confound the old party faithful rather than attract new voters was that this reminded him of the saying: "Better to eat more than to drink too little."

Of course Geissler, too, wants to get the farmers and the middle class to return to the CDU fold; but his primary focus is on the so-called new middle class, especially those in the modern service industry and the new technological intelligentsia, including engineers and workers. So far Geissler has nothing tangible to show for his efforts. But how much do his opponents within the CDU ranks do to keep him from getting this type of evidence? The confusion caused by the conservative wings of the CDU/CSU over detente policy made a good many voters switch to the FDP both in the 1987 Bundestag election and in the elections to the Rhineland-Palatinate provincial diet.

Conversely, closer analysis of the Hesse election shows that the CDU owes its success in bringing about a change of government there to the votes of this new middle class, especially in the Rhein-Main metropolitan service region. The situation in Baden-Wurttemberg was much the same: the CDU lost some votes among this new middle class but managed to hold on to its already substantial lead.

As one delves deeper into the statistics, one can make out even more substantial changes in traditional social environments and political affiliations. Even the most adroit political analyst or party strategist is no longer able to identify the typical Christian Democrat or Social Democrat and to draw the appropriate conclusions from this. As the environments, attitudes and life styles changed, the voters changed. The party faithful are dying out; the number of undecided voters and nonvoters is on the rise and there were initial signs of a new trend in the Bavaria, Bremen and Baden-Wurttemberg elections, i.e., the growth of the extremist protest vote.

All of this has a particularly pernicious effect on the two large parties. Fewer and fewer voters honor their efforts to achieve consensus. It could be that this soft attitude by the electorate is due to the constantly shifting policies of the major parties which are viewed as amorphous agglomerations. Helmut Kohl in particular is seen as a model of diffuse and noncommittal priggishness; a man who wants to do right by everyone and not step on anyone's toes.

Small wonder, therefore, that these problems cause Geissler sleepless nights. If at all possible, he means to keep the governing CDU from reverting to the immobilism of the sixties and from dealing with the future as though it were a mere repetition of the present and with politics as though it were nothing but a technocratic game. He constantly warns of "comfortably leaning back

in the seats of power." But whenever he tries to give distinctive shape to the CDU as a people's party by not only modernizing its image but differentiating it, he faces constant obstacles.

This is another way of saying that the general secretary wants to impart his own version of depth, vitality and a clear sense of direction to the vaunted change of government 5 years ago. But that has also been Franz Josef Strauss' goal for a number of years. To be sure, the dispute over content, direction and strategy is becoming more intense all the time. While Geissler and his supporters continue to press for opening the CDU up to new groups of voters and their particular value systems, the CSU and some segments of the CDU are adamantly sticking to fortress-like, traditional morality.

In taking these people on, Geissler is fighting an uphill battle. Many are confused by the lack of definition in the new society, by the crisscross of trends brought on by the third industrial revolution. The CDU/CSU-FDP coalition's pragmatism, which is no different than that of any other government, makes those segments of the party unhappy who were able to indulge in straightforward fundamentalism during the years in the opposition. And as for the newly targeted voters, some of them still view the CDU/CSU as representing the ruling economic interests. Others are attracted by the party's commitment to technology but less so by its poor record on protection of the environment.

There are also current Bonn problems. The sudden budget shortfall which has necessitated deficit spending and raised the likelihood of a tax hike later has hit the CDU/CSU hard. This situation has made life difficult for the likes of Rita Suessmuth, the minister for youth, women, family and health affairs, who wants to see the achievement-oriented society supplemented by a society of compassion, e.g., through support for voluntary social commitment.

For another thing, it is easy to see that the coalition, after having overcome the so-called "legacy," does not have an original policy of its own, e.g., in its present efforts to limit the explosive rise in health costs, if at all possible. Norbert Bluem, the minister for labor and social affairs, will thus be hard put to apply part of the billions that have to be saved to the incipient program of family care for the aged which is becoming an increasingly heavy burden in view of the fact that the number of those in need now goes into the millions. And Bluem will get even less support when he argues that support for personal commitment hinges on partial reform of the health system and old-age care. Ulf Fink offers proof of how important that would be by citing the fact that there are more people working for Caritas at the present time than work for Siemens.

At the moment it looks bad for all efforts to link up with new desires, values and attitudes by pursuing a strategy of opening the party to new voters and new problems.

This applies both to social policy and to the attempt to turn the successful pragmatism of the government in the matter of German policy into a viable political program. These issues with which Geissler has long been familiar will present him with a crucial test of his abilities. There are a great many problems, e.g., increasing the length of education and the financial consequences connected with such a step; extending educational leaves and the payment of educational allowances, including job guarantees beyond the present 12 months. All of these will not be decided on the basis of the tight budget alone. Extending education to 3 years—two to be paid for by the government and one by the Laender—is still an utopian goal. For all that, the 3-year program would merely result in establishing a link to kindergarten—a meaningful way for the CDU/CSU to give proof of its modernity and its ability to reach its long-sought goal of achieving compatibility between familial responsibilities and the requirements of the workplace. Or what about the idea put forward by Werner Remmers, the minister for environment for Lower Saxony, which calls for supplementing the large-scale social safety net of the government with a do-it-yourself social program based on private and social commitment. So far, these ideas look a lot like pipe dreams.

Meanwhile, those who are not at all pleased with the direction in which the party is headed are in the ascendency. Juergen Todenhoefer, who has referred to Geissler's policies as a "danger to life and limb," is a lightweight aside from his security policy expertise. The attack by Bruno Heck, the CDU's first general secretary, on his successor once removed weighs more heavily, however. Heck not only charged Geissler with manipulating the party from the top down but also with falling into line with "the superficialities and inanities of the age" and even went so far as to say that "lack of character" has never paid off in political life. Just the same, 71-year-old Heck is a representative of the CDU's old guard although one should not forget that he did initiate the very first intra-party reforms and did not mince any words after the party lost the chancellorship in 1969.

But the most serious attack on Geissler came from Hansheinz Hauser, one of the deputy chairmen of the CDU/CSU fraction and the spokesman for the party's middle class interest group. Hauser called Geissler a "political idealist" in danger of "losing touch with reality" who is busy creating "sociopolitical redistribution programs" even as he forgets "that every penny must be earned before it can be distributed." The middle class group is influential—above all within the fraction—even though the industries it speaks for have not really moved into the high tech era as yet.

Of course the social policy leaders know full well that social programs can only be funded once the economy has earned the money to pay for them. But they resent having their programs called ideological and vain and to

have them dismissed out of hand on the basis of simplistic arguments. Should long-term security and stability only apply to the economy and not to social policy?

Now what about the chancellor/party chairman? As he so often has in the past, Kohl is playing it close to his vest, reiterating that there will be absolutely no change in the party's middle-of-the-road position. At the same time, he has been making the self-evident point that Geissler's background papers are not the last word. Under the circumstances and given the CDU's weakness for personalizing issues, it goes without saying that the debate about principles has taken on the air of a power struggle. The next crucial point and obstacle will come up at the closed-door meeting of the party executive committee in the middle of this month. On that occasion, the background papers as well as 7,000 suggestions, proposals for changes and counterproposals submitted by the rank and file are to be transformed into guidelines for the countrywide party congress in early June in Wiesbaden—although the CDU will go over all of them one more time prior to that congress.

What about the party congress itself? Would that not be the place for the many new members, attitudes, life styles, generational differences and different expectations to come out into the open? Heiner Geissler can count on it, to be sure. But he will also be facing his highest mountain ever because the old-line elements of the party will be out in force. Their resistance will be directed against the courageous attempt to make the CDU into a future-oriented party over the long haul and to tie the thoughts and feelings of as many new voters as possible to the party for as long as possible. If the CDU/CSU were to stay its own hand, then its dramatic internal disputes would turn into a real tragedy for the party.

09478

Speculations on CSU Cabinet Changes in Munich
36200100 Hamburg DER SPIEGEL in German
14 Mar 88 pp 47, 50

[Unattributed article: "Conformists All"]

[Text] Losses in communal elections, shaky cabinet ministers and now, to top it off, a pact with the unspeakable Greens—the Bavarian CSU is not what it used to be.

Dietmar Keese, the head of the SPD faction on the Munich city council, came storming up to the rostrum. "The arrogance of power has won out," he cried. "The CSU office-seekers have carried the day." Lord Mayor Georg Kronawitter [SPD] was quite beside himself about the surprising outcome. "This is the craziest situation there ever was," he said.

The social democrats were flabbergasted because the CSU and the Greens had engaged in unabashed horse trading. Only by entering into an unprecedented black-and-green alliance had the CSU been able to elect all 12 of the candidates it wanted on the city council on 6 April.

The CSU denied that it had cut a deal with its newly-won friends whom they otherwise castigate as virtual anarchists. But only by striking this bargain were the Greens able to elect one of their own as a member of the city council, i.e., Georg Welsch, a 41-year-old economist, who captured the influential post of director of municipal affairs.

Welsch, who is fond of appearing in public in a handknit Bavarian cardigan, is not only in charge of Munich's sanitation department and the city's own farming operations but also has a say in all municipal real estate transactions. "The very thought," scoffed Munich's ABENDZEITUNG newspaper, "is bound to make any CSU hardliner gasp for air."

It was Peter Kripp, a renegade social democrat of all people, who helped to engineer the black-and-green coalition. Kripp, is one of the two members of the tiny "Independent Social Democrats" faction, which has joined the CSU and the FDP in forming a governing majority.

That majority at least presented the SPD with a consolation prize by confirming the appointment of 53-year-old Siegfried Hummel, a ministerial councillor in the Saar ministry of culture, to the prestigious cultural affairs post. FRANKFURTER ALLGEMEINE has called him a "well-versed expert in cultural management" and Hummel himself has let it be known that he plans to elevate Munich to "one of the focal points of world culture." The SPD, however, has kept its elation within bounds thus far. "One swallow does not a summer make," said Barbara Scheuble-Schaefer, the spokesperson of the SPD fraction.

Rudolf Schoefberger, the SPD Land chairman, took advantage of the situation, calling the CSU an "unconscionably immoral political party" and Dietmar Keese said: "Everything the CSU has been saying about quality candidates, freedom of conscience and the democratic process sounds very hollow now."

The public horsetrading with the Greens, whom the CSU had frequently accused of being veritable "enemies of the state" may prove costly to the CSU which lays claim to being a governing party. Erich Kiesl, the Munich CSU chairman and a former lord mayor of the city, fears that the tactical victory may soon turn into a strategic mistake. With an eye to the 1990 communal elections in Bavaria, Kiesl warns that conservative voters may well be unable to understand the Munich decision to enter into a coalition with the Greens.

SUEDDEUTSCHE ZEITUNG feels that the "CSU is bucking the tide" in any event. 4 months ago, the CSU suffered a serious defeat in the Nuremberg mayoral election and in the so-called little communal election on 3 April it sustained local losses, e.g., a loss of some 22 percent in Bamberg.

Erwin Huber, the deputy general secretary of the CSU, called the outcome a "serious warning," referring in particular to the loss of the mayoralty in Hof and the defeat of Bundestag Representative Ortwin Lowack [CSU] who ran for mayor in Bayreuth. The scenario called for Lowack to win the election and to give up his Bundestag seat in favor of CSU tax expert Reinhold Kreile, a long-time Flick lobbyist.

The CSU is losing in the communal elections as a consequence of the Bavarian election law which calls on the voters to cast their ballot for individual candidates and not just for one political party or another. Apparently, the party lacks both qualified leaders and the necessary expertise in dealing with communal affairs. But the downswing in the provinces has also accelerated as a result of the constant disputes at the Land level.

For some time now, Minister President Franz Josef Strauss' team has presented itself as a shaky cabinet full of teetering ministers. For months, rumors have been circulating in Munich about possible cabinet shakeups due to occur if and when one of the teetering ministers hands in his resignation, e.g., Anton Jaumann, the minister of economics; Karl Hillemeier, the minister of social affairs or August Lang, the interior minister. The party has been dismantling 60-year-old Jaumann from Swabia, a diabetic, "on the installment plan," as Hans Maier, the former minister of culture, has put it. His mishandling of the Maxhuetten steel mill in the Upper Palatinate has made him an excellent target for abuse. Strauss has called on him "to adjust his life style to the responsibilities of his public office" and more than once it was Jaumann himself who provided the ammunition for such attacks.

If Jaumann were to leave, CSU General Secretary Gerold Tandler would take over and he in turn would be replaced by his able deputy, Erwin Huber. If Hillermeier were to resign (as he says he would like to), the none-too-successful Lang, who like Hillermeier once held the post of justice minister, would take over his job. SUEDEUTSCHE ZEITUNG has mused that if he did, he would no longer have to listen to the silly joke that Bavaria has two interior ministers, i.e., one who just holds down the job and another who really does it.

The reference is to AIDS and police expert Peter Gauweiler; but Gauweiler says there is absolutely nothing to the thesis that he would move up from his job as state secretary in the interior ministry to his boss' job. The

fact is that Edmund Stoiber, the state chancellery minister, is also in line for Lang's job—in which case Gauweiler, a key figure in the cabinet, might switch over to the state chancellery.

As in the case of the minor cabinet shakeup in the fall of 1987, any future shifts will involve a small circle of Strauss' admirers and victims whom Manfred Brunner, the FDP chairman for Bavaria, has called "conformists all." In February, when the Greens raised the "abuse of women" issue in the Landtag, Hillermeier who meant to give a moderate speech had to withdraw it on superior orders and use tougher language instead.

Lang, too, is under attack. He is being made responsible for the CSU's poor showing in his Upper Palatinate home territory. In the spring of 1987, he was forced to cancel a firm commitment to appear in a television debate on the Wackersdorf nuclear reprocessing plant because Strauss feared that Lang might not "be able to hold his own."

"Under normal conditions," Lang said at the time, "one would have to hand in one's resignation in a case like this."

09478

Baden-Wuerttemberg Election Results Analyzed

*36200085 Hamburg DIE ZEIT in German
25 Mar 88 p 5*

[Article by Manfred Berger, Wolfgang G. Gibowski, and Dieter Roth, members of the Elections Research Group, Mannheim: "Movement on the Right Edge. The Small Radical Parties the Big Winners. Analysis of the Baden-Wuerttemberg Election Results"]

[Text] The Landtag election in Baden-Wuerttemberg produced some unexpected results. It is highly unusual for all the parties represented in the Landtag to lose a percentage of the vote and for the small parties and individuals not represented in the Landtag to win a total of 5.2 percent of the vote. Although the CDU lost the most (2.8 percentage points) and fell below 50 percent for the first time since 1968, it still won an absolute majority of seats—a success that overshadows the losses.

The CDU's opponents did not achieve their goals in the election. This is true at least of the SPD and FDP, which had sought to put an end to the Union's ability to govern alone. Of the opposition parties, the Greens came closest to holding their own. Their results, along with the SPD's, must be interpreted in the light of the Greens' failure to put up candidates in three election districts in 1984. In the election districts of Esslingen, Kirchheim, and Nuerdingen, where there was no Greens candidate in 1984, the party won 8.2 percent this time, and the SPD lost 8.4 percent. Looking at the results in the other 67 election districts, where both parties of the left put up candidates in 1984, the SPD held its own overall and the Greens lost

0.6 percent. The Social Democrats and the Greens each gained one seat because they lost a smaller percentage of votes than the CDU and FDP; the CDU lost two seats. The FDP has one seat less than in 1984, which produces a Landtag of 125 seats compared to 126 before. Far more serious for the FDP than the loss of a seat—which also cost the party its status as a faction—was the decline to its worst election results ever in a Baden-Wuerttemberg Landtag election.

The factors underlying the behavior of crossover voters are more subtle in Landtag elections than in Bundestag elections. National and Land issues—for farmers there is also EC policy and its consequences—overlap in such a multifaceted way that there is more fluidity in the group of potential crossover voters than in Bundestag elections. Boosted by an economic climate judged especially favorable, Lothar Spaeth and the CDU used the Bonn Government's national-level problems to demonstrate their own independence and stand up for local interests.

They were helped in this by the fact that there is no other Land in which the economic situation is viewed so favorably as in Baden-Wuerttemberg; four-fifths of all voters say that the economy is doing better in their Land than in the rest of the FRG. Nowhere else is the governing party in the Land so much more respected than the national party governing in Bonn. Lothar Spaeth's lead over challenger Dieter Spoeri is unparalleled and even surpasses that of Franz Josef Strauss in his fall 1986 Landtag election. Also unique is Spaeth's approval rating among opposition supporters. No less than 40 percent of SPD voters and even 28 percent of Greens voters wanted Spaeth as Minister President. Spoeri was chosen by only 37 percent of SPD and 23 percent of Greens supporters. That 72 percent of FDP and almost all CDU voters (93 percent) were for Spaeth goes almost without saying.

Nonetheless, at the beginning of the year it appeared that despite its favorable initial position the CDU would not gain an absolute majority of seats. According to those polls the FDP would do considerably better than in 1984. In the last 6 weeks of the campaign, however, Lothar Spaeth and the CDU were able to convince potential cross over voters in the political center that the interests of the Land are represented best by the CDU governing alone.

This did not hurt only the FDP, which Spaeth treated coolly and kept at a distance. The Social Democrats must be especially pained at their relatively high losses (2.6 percentage points) right in their traditional stronghold of Mannheim. Here, where the problems of obsolete industrial structures overlap with more recent cyclical weaknesses, the SPD's traditional claim to represent the interests of the economically disadvantaged was obviously not as convincing as Spaeth's bustle.

While the CDU was thus able to hold back the parliamentary competition, there were massive losses to several small splinter parties on the right end of the political spectrum. The best results were achieved by the extreme right NPD [National Democratic Party of Germany] (2.1 percent), while the ecological-conservative OeDP [Ecological Democratic Party] (1.4 percent) and the Republicans (1 percent) did not do quite that well. Although the Christian League won only 0.1 percent, it had considerable local support in Wangen (2 percent) and Ravensburg (3.4 percent), in the Catholic CDU strongholds in the south of the Swabian uplands. On the other hand, the few votes for the Patriots (0.1 percent) came from various areas.

The NPD had successes throughout the Land, the results of the Republicans and the OeDP show regional strengths. The other small parties gained most in the southern Wuerttemberg Regierungsbezirk of Tuebingen (up 6.6 percentage points) and least in the northern Baden Regierungsbezirk of Karlsruhe (up 3.8 percentage points). The splinter parties' main successes came in the rural areas with high percentages of self-employed persons in the population. The NPD got over 3 percent in the rural and economically depressed election districts of Biberach (3.1 percent) in southern Wuerttemberg; Hohenlohe (3.6 percent) in northern Wuerttemberg; Calw in the northern Black Forest (3.9 percent); and Rottweil (3.9 percent), Tuttlingen-Donaueschingen (4.6 percent) and Villingen-Schwenningen (4.9 percent) in the southern Black Forest, all CDU strongholds.

The OeDP had stronger support in Freiburg Regierungsbezirk, particularly in Freiburg itself and in Breisgau, where it attracted ecologically-minded conservative farmers and winegrowers. In this area it drew between 3 and 4 percent. The second area with similarly large OeDP successes is rural southern Wuerttemberg near Bavaria. Farmers here are particularly dissatisfied with CDU agricultural policy. The Republicans, who did not put up candidates everywhere, scored their biggest successes in the election districts bordering on Bavaria (in the Bavarian Landtag election in fall 1986 the Republicans got no less than 3 percent); their stronghold is Heidenheim, with 6.4 percent of the vote.

Everywhere the successes of the rightist splinter parties came mainly at the expense of the CDU. These trends had already shown up in Baden-Wuerttemberg in the Bundestag election, when the other small parties won 2.2 percent of the vote. Thus in the Landtag election, where people are somewhat more apt to switch parties, it was only to be expected that the small parties would make definite gains, particularly since in the last Landtag election no "rightist" splinter parties had put up candidates. Polls prove that the successes of conservative and rightist splinter parties came entirely at the expense of the CDU. The small parties profited from irritation among voters on the right edge of the CDU, who are critical of Union positions in the areas of Intra-German policy, abortion, policy on women, and the right of

asylum. In addition, there was also dissatisfaction with the results of agricultural policy. However, by winning over FDP and SPD supporters, the CDU was able to make up for some of its losses.

The governing party's position was so strong that it really would not have needed the advantages given it by the peculiarities of the election law. Baden-Wuerttemberg's election law, which is very simple for the voter (there is only a single vote, which goes to the election district candidate and to the party at the same time) has some vagaries in practice. In order to strengthen the regional representation of the different parts of the Land, the four Baden-Wuerttemberg Regierungsbezirks are given a special significance in calculating seats. If a party wins surplus seats, as can happen with the election law, then the compensatory seats are calculated not in the Land as a whole, but in the Regierungsbezirks where the surplus seats came.

A second peculiarity of the election law is that there are no party Land lists on which to base the selection of the winners in the second count. Instead, the choice is based on the absolute number of votes won by each person, so that the candidates' chances are determined by the size of their election district and the size of voter turnout. Since the election districts vary greatly in the number of voters they contain (the largest district has just 130,000 eligible voters, twice as many as the smallest one), the chances of entering the Landtag through the second count are far from evenly distributed.

12593

NORWAY

Nonsocialists Increasingly at Odds After Incomes Law Vote

Christian Party Leader Appeal

36390054 Oslo AFTENPOSTEN in Norwegian
11 Apr 88 p 3

[Article by Kurt-Johnny Olsen: "Time Is Getting Short for a Change of Government"; first paragraph is AFTENPOSTEN's introduction]

[Text] Kare Kristiansen, the president of the Odelsting and the former chairman of the Christian People's Party, is not pleased with the way things have gone among the three parties that were once in the government, the Conservative, Christian People's and Center Parties. "It seems as if we're sliding into an almost drowsy atmosphere as we head into the election next fall without any strategy being produced which can lead to a reliable alternative government. It's starting to get late," Kristiansen emphasized, as he urged the Conservative Party, as the biggest and most influential party, to take the initiative.

Kristiansen has no doubts about it: "We have to understand that if we want to take over, it will not be at a time when economic conditions are improving. For the center parties particularly, if there is to be a new initiative, it will almost be a condition that they get in position before 1989."

He believes it will also be important for the Conservative Party to be in a position to govern before next fall's Storting elections. "In a way, the party has been in a somewhat easier situation. The Conservative leadership knew that the present government could sail its way through rough waters thanks to the support of the Center Parties. Of course I regret this," Kare Kristiansen said, adding that the Conservative Party will find it difficult to win trust if the party is not able to forge a common line with the Christian People's and the Center Parties.

But neither the Christian People's Party nor the Conservative Party presents the obstacle today. Without Center Party support for their ideas, there will not be a majority in the Storting to vote the Harlem Brundtland government out of power.

"It is quite right to see the trend in the Center Party after the 1986 change of government as a bleak one—if you look at it from the point of view of wanting to cooperate. This fact casts the longest and the darkest shadow over prospects for a change of government. The most important thing that can happen, then, is for the Center Party to explain that the rapprochement with the Labor Party which has clearly taken place does not imply any change in its course in terms of basic principles. I was pleased to see how Johan J. Jakobsen tried to emphasize this in words. More specific results must now be obtained for the policy we have to prepare for," Kristiansen said.

Progressive Party

Nor is the former Christian People's Party chairman pleased with the stand the two center parties take with regard to the Progressive Party. The time is ripe to find a way to tackle this party, as he put it—without in any way whatsoever approving of Progressive Party policy. "It is obvious that in the future the Progressive Party, as well, will have a position others will have to reckon with. At the very least, we have to be able to talk with the party's politicians and jointly discuss approaches to problems. I think we've been clumsy and adopted an unnecessarily moralistic and prejudicial stance towards the party. If we can't open up channels to the Progressive Party, I'm afraid we'll help hand over the responsibility for government to the Labor Party for many years to come," Kare Kristiansen said.

Unpredictable

"The head of their party, Kjell Magne Bondevik, has seen that the Christian People's Party has flip-flopped on economic policy and thereby created uncertainty among voters. Is this one of the reasons the party has such problems in the public opinion polls?"

"What Bondevik said a week ago in the pages of AFTENPOSTEN was about the same thing I have been saying within my party for a long time. I'm very pleased he has come to this realization and hope this means he's looking more realistically at the economy. It's important not to let this become a side issue next to everything else we want. No one can live beyond his means in the public area without this leading to problems in the long run. We must channel more resources to groups that really need it—and be ready to take away some of the subsidies from those who are better off," Kristiansen said.

He emphasized that, to the extent the public sector can be expanded, these resources should go to retired people living on small pensions, care of the elderly and families with children.

Strategy

But most of all the former oil and energy minister is looking for a goal-oriented strategy so as to create an alternative to the present Labor Party government. The handling of the incomes law showed once again how important it is to influence an issue from the very start, rather than just piping up that a subject—one approved by the government, the Federation of Trade Unions and the Union of General Workers—was more or less rammed past the people's elected representatives in the Storting.

But the three parties must come together urgently—to try and patch over the quarrels each has generated since they sat together in government 2 years ago. This is the message the president of the Odelsting has for Jan P. Syse, Kjell Magne Bondevik and Johan J. Jakobsen.

Center's Leader Criticizes Conservatives

36390054 Oslo AFTENPOSTEN in Norwegian
13 Apr 88 p 5

[Interview with Johan J. Jakobsen, chairman of the Center Party, by Geir Salvesen; date and place not specified: "Greater Distance Between Conservative and Center Parties"]

[Text] Johan J. Jakobsen, the chairman of the Center Party, believes the distance between the Conservative and the Center Parties over incomes policy has now increased and that the Conservative Party's behavior with regard to the incomes law has weakened nonsocialist cooperation. He denied to AFTENPOSTEN that the Center Party has become purely a support party for the Labor government. As far as prospects for a nonsocialist government are concerned, he said that the three parties must first show in day-to-day policy that they can work together.

Jakobsen is somewhat surprised by the calm debate about working together in a future government which recently flared up again after Kare Kristiansen of the

Christian People's Party on Monday said that a clarification was now urgently needed. Earlier Jan P. Syse, the Conservative Party chairman, and Kjell Magne Bondevik, the Christian People's Party's leader, had also gotten in on the act, and Jakobsen does not conceal the fact that he is most in agreement with Bondevik, who said that constant premature announcements of a change of government must be avoided.

"What strikes me is a complete lack of political analysis on Syse's and Kristiansen's assessment. Cooperation is turned into a technical issue; whether you want to or you don't. It's a bit painful to say so, but cooperation among several independent parties is also a question of policy! You can't fail to take into account the fact that the three parties no longer enjoy a majority in the Storting and that the Progressive Party hasn't given any guarantee whatsoever of peace and quiet to a new three-party coalition government which might be formed. This is a parliamentary reality. As regards policy content and platform, the three parties have had problems uniting around common solutions as an alternative to the government. This is related to the fact that until now the Conservative Party has made an unsuccessful attempt to stem the progressive party and has been lured into a clear change in its political direction," Jakobsen said.

Denial

[Question] So is the Conservative Party the main reason there is no non-socialist alternative and not because the Center Party has acted as a Labor government support party on issue after issue?

[Answer] I deny that the Center Party is a support party. In connection, for example, with the tax proposal, the Labor Party was 100-percent willing to set its proposal, The Labor Party was 100-percent willing to set its proposal aside to "buy" the Center Party's proposal. So it's meaningless to say the Center Party is behaving like a support party, and I know of no individual measure on which it can be documented we broke with our principles to "rescue" the government. We don't call the Conservatives a support party even if the party supports the government's pessimistic district policy, he said.

Jakobsen took lead articles in AFTENPOSTEN and VERDENS GANG about the Conservatives and the incomes law as proof that the Conservative Party has altered its course.

"AFTENPOSTEN certainly understands that the Conservative Party has failed to take a position which is in harmony with the party's national responsibility, so I don't know whether to laugh or cry when the Center Party's responsible position on cooperation on incomes policy is held up by the Conservative Party as a problem for cooperation."

[Question] So it's because the Center Party is getting so much through with the Labor government that it's not so keen on a new nonsocialist government?

[Answer] No, we think we got more when we were in government from 1983 until 1986. But as long as the Conservative Party pulls against the Progressive Party, we've got to make the best of the situation.

Jakobsen said there is a policy platform in what the three negotiated last spring.

[Question] Does there have to be a clarification before the next election and, if so, how?

[Answer] We'll treat our long-term program in 1989. If nothing else happens before the '89 election, the three parties must explain the cooperative situation before it and in this regard the trend in the Storting and the relations among the three will be an important basis for the clarification, Jakobsen said, adding that the Center Party's policy commitment and willingness to cooperate are holding firm.

Leaders Trade Charges

36390054 Oslo AFTENPOSTEN in Norwegian
13 Apr 88 p 5

[Article: "Nonsocialist Squeals"]

[Text] The big "nonsocialist war" failed to materialize, but the three former government parties, Conservative, Christian People's and Center, nevertheless had harsh words for one another after they had taken different stands on the incomes law. The attacks were particularly sharp between the Conservative and the Center Parties.

The Center Party's Lars Velsand criticized Conservative leader, Jan P. Syse quite sharply and said that the Conservative Party's contribution to reestablishing the growth of the Norwegian economy was to aim at full chaos. Johan Buttedahl had the same opinion. Ole Gabriel Ueland, the party's finances spokesman, was a good deal more cautious but indicated that Conservative Leader Syse's positions had shifted. He quoted Syse as having said in January that legal bans or other measures designed to defeat market forces in the labor market will only lead to problems growing bigger. "Today the Conservative Party as well wants a law regulating income," he stated.

Conservative criticism of the Center Party was largely on the basis of the party's having become a tail wind for the Labor government—a support party. Buttedahl strongly refuted this:

"In a irresponsible popularity debate, individual politicians tried to turn this into a debate about who cooperates with whom," he said, clearly addressing the Conservative Party.

The Christian People's Party sailed in rather calm waters yesterday and was not particularly criticized, except by the prime minister, who blamed the party for short-sighted short-term views instead of national ones.

Conservatives' Chief Attacks Center

36390054 Oslo AFTENPOSTEN in Norwegian
14 Apr 88 p 3

[Article by Thorleif Andreassen: "Conservative Party Tired of Waiting for Center Party"]

[Text] "I feel that the Conservative and the Christian People's Parties bear the heaviest responsibility for developing a nonsocialist alternative. This is where the power center for development of nonsocialist policy will and must lie!" Jan P. Syse was crystal clear in his speech to the Conservative Party's Executive Committee yesterday.

"Even if the Center Party were to return to cooperation with the two parties which were formerly in the government, there would still not be any firm basis for a nonsocialist government," Syse said. "There won't be a new government without the Center Party," Kjell Magne Bondevik shot back.

The Conservative Party leader said that the trend in the economy clearly pointed out the need for another economic policy. "But responsibility for the unfortunate trend in the economy and in other areas rests most heavily with parties which continue to support the government's proposals."

It is beyond any doubt that Syse sees the Center Party in particular as a support party for the government. "We must now systematically put together a new and broader nonsocialist platform. This platform has to be based on parties which represent—and which want to represent—an alternative. Last June the Conservative and the Christian People's Parties stood together. Recently when the incomes law was being worked on, we shared essential points of view as well," the Conservative Party leader said, quickly adding:

Tripwires

"Deliberately moving this power center in the direction of the next election must absolutely not be complicated by tripwires such as schedules, autumn hunting or the like. We mustn't forget that the situation in the Storting will be the same up to September 1989. The very first condition for getting a new nonsocialist government is for the nonsocialist parties to stop behaving like support parties for the Labor Party government in the Storting. Even if the Center Party were to return to cooperation with the Conservative and the Christian People's Parties, there would still not be any firm basis for a nonsocialist government," Jan P. Syse stated, and continued:

"We will get this firm basis for a nonsocialist government only when the two people on the far wing (Christian People's Party) and the two on the left wing of the Center Party lend their support to a nonsocialist government. And three of the four have to vote together every time there's a close vote in the Storting!"

Yesterday the Christian People's and the Center Parties stopped the ball on a broader and more firmly constructed nonsocialist platform. Johan J. Jakobsen, the Center Party leader, said he was much relieved by Syse's visit to the Center Party. He thought the Conservative Party leader's statements were an attempt to divert attention from the Conservative Party after the debate on the incomes law.

"You can't expect the Center Party to return to a line which AFTENPOSTEN, among others, views as an irresponsible one. The Center Party's political attachment is on the nonsocialist side," Jakobsen stated. He added that the day the Conservative Party returns to political reality and a more responsible line the table is set for cooperation. In reality, the Conservative Party is isolating itself with the Progressive Party, the Center Party's leader said. He observed that Syse's statements are some of the most confusing and strained he has heard from that quarter.

Center Party Must Be There

For his part, Kjell Magne Bondevik made it clear that it is not of interest for the Christian People's Party to participate in a government from which the Center Party would be absent. He denied that the Center Party is dictating the Christian People's Party's course. "We have refuted this time after time in our votes."

Bondevik expressed doubt as to the wisdom of always speaking of a change of government. The Christian People's Party leader asserted that his party is ready for a change of government if moral/ethic challenges become a principle mission. "In addition to our willingness, a platform is needed as well. We're willing to rework the platform which was almost completed last year, and we ask the Conservative Party as well to contribute to a clarification. To bring about a change, all the parties which were formerly in the government have to get together, and even that isn't enough for a majority."

After yesterday's reactions to Jan P. Syse's move, there are grounds to draw the following conclusion: The Labor Party is sitting pretty. Nor is there today any united position desirous of putting a government together.

Incomes Law

According to AFTENPOSTEN's sources, at the Executive Committee meeting the Conservative Party's Storting group (with one exception) received full support for

its line on the handling of the incomes law. Satisfaction was expressed that the party had voted against the law and had come up with an alternative of its own.

In his opening speech, Jan P. Syse sought a united national gas strategy from the government. "The need for such a strategy becomes clearer day by day," Syse said.

12789/12232

PORTUGAL

PCP Internal Situation Seen as Immutably Hardline

35420069 Lisbon O DIABO in Portuguese 5 Apr 88 p 3

[Text] The "Zita Seabra case" does not alter the basic fact of what has been observed in the evolution of the communist party (PC). It confirms the inability of the so-called "Group of Six" to achieve any significant change in the actions, methods, organization, and policy of the communists led by Alvaro Cunhal and the "dinosaurs" entrenched in the Secretariat and the Central Committee. It confirms that the fate of the "Six" is expulsion when the opportunity is right—that is, when the action already demanded at the level of the communist party leadership will not appear scandalous. In simple terms, one can predict that the "Six" will not be at the next party congress.

Zita Seabra's punishment is a warning: not to Zita, but to the contesting groups, which have been multiplying. As always, the PC leadership does not invoke political matters in the administrative measures it adopts. It attacks by allusion to "behavior" (and Zita had weak points where he could be attacked). It is a rule that is being observed; a rule to which the "Six" are condemned.

Zita Seabra's punishment is also a warning to other members of the Central Committee who may want some "reform," some "renewal," and who may appear to be in too much of a hurry to achieve those aims. They may win positions, achieve small changes, but without making waves, without brusque changes that disturb "order." For the "dinosaurs" of the Secretariat and the Central Committee, the basic thing is that their positions not be at risk, that their control not be lost, even if they have to make inevitable concessions.

The prominence given to a "young man"—Jose Casanova—with the endorsement of the Secretariat and the Central Committee indicates that this is the line Cunhal is pursuing. Keep everything he can, perhaps letting the heads of some of his comrades roll (with the justification of reform, due to advanced age—Francisco Miguel, Sergio Vilarigues or Jose Vitoriano), permitting the entry of one or another "young man" into the leadership club.

That is why "hasty cats beget blind kittens"—and are punished. Cunhal has a motto: Die, but slowly.

The PCP Runs Forward

Another point in the actions of the PCP is more and more evident. In the face of its internal difficulties, the Communist Party controlled by Cunhal is running forward: "It advances in street agitation, in the struggle against the "enemy," unleashes strikes and demonstrations, the objective of which is not to fight the enemy but to keep the members occupied. As long as he is on strike, as long as he is demonstrating in the street, the member does not discuss, does not raise problems, does not pose objections. If he does so, he becomes an ally of the "enemy," he is shirking his duties, "betraying," and is banished from the fold.

What is happening in Portuguese society—the destabilizing offensive being tried by the communists—has to do above all with the internal problems of the PCP. It is a "struggle" to silence internal criticism, to try to demonstrate the troops, to restore discipline. Nothing more.

That means that, if the PCP offensive is defeated, conditions are then created to accelerate the process of disintegration of the communist apparatus. Never before that. It is a situation that makes the fight against PCP in the current circumstances a worthwhile fight, which can be the decisive blow to strike against that party. And it seriously inculcates the Socialists who, blind to the current lines of force, give their hand to the communists and hail the old men of the Secretariat and the Central Committee of the PCP, believing that their survival is possible.

Once again, the Socialists show themselves to be useful tools of the "Stalinism" they condemn, and show that they are dispensable in the fight against communism. It is a struggle that no longer involves them.

8711/12232

SWEDEN

Environmental Party Concludes Congress Still Divided

Refusal To Choose Allies

36500092 Stockholm DAGENS NYHETER in Swedish
5 Apr 88 p 16

[Article by Ake Ekdahl: "Vague Message to the Voters"]

[Text] Uppsala—The Environmental Party will not be a tail for a Social Democratic government to wag. The Environmental Party can join with the three nonsocialist parties in a vote of no confidence against the Carlsson government. The best alternative to the present government is a Center Party minority government or a Center-Liberal government.

This was stated by Anders Nordin from Pitea, newly elected full member of the Environmental Party's political committee. He appeared at a press conference on Monday, the last day of the party congress, along with spokesperson Eva Goes. The press conference was intended to explain the Environmental Party's relationship to the two political blocs in parliament.

But the views of Nordin are not sanctioned by the party's various decision-making organs and no one knows whether or not Nordin's declarations will hold in the future.

Extortion

The factor determining how the party will act on questions that divide the blocs will be: What environmental advantages can be gained by joining the one bloc or the other? The party hopes to use extortion and the threat of bringing down various governments in order to gain maximum influence over environmental policy.

The course of action will be determined on a case-by-case basis, primarily by the more and more powerful party council. Horse trading in parliamentary committees is allowed if major environmental victories can be achieved. But here there are limits even for the Environmental Party. Representatives would not be allowed to trade a ban on freon for the continued use of nuclear power, to mention the example that came up at the press conference.

Full Freedom

It is difficult to determine which power or powers are behind various opinions. Not even this year's election platform, on the basis of which the party is asking the voters to give it representation in parliament, has been approved or adopted by the party congress.

One of the main paragraphs of the platform, above various specific campaign promises, states that, "We have a dream of a society in which people are free, in which no one shirks his responsibility, in which everyone has influence."

One principle of the Environmental Party is to allow its representatives total sovereignty to act as they see fit in parliament. Even illegal acts are permitted in certain situations. At the same time, however, cohesion within the group will be a decisive factor if the Environmental Party is to achieve its primary tactical objective of tipping the scales between the two blocs in parliament.

Spokespersons To Go

This is a dilemma, admits Per Gahrton, who must be seen as something of an ideologist behind the Environmental Party.

"We do not recognize the existence of the blocs in the future," spokesperson Eva Goes said on Monday.

Nevertheless, separation into two blocs is the very cornerstone of the Environmental Party's role as driving force and scale-tipper in parliament.

The congress was unable to say how the party would be organized as a parliamentary party. These decisions will be made after the elections.

Goes said, however, that the positions of so-called spokespersons would probably be abolished. In any case, she and the other spokesperson, Birger Schlaug, will step down since members of parliament cannot retain their seats in the political committee. The party council will be called together quickly after the elections to decide how the collective leadership will be formed.

"Having many party spokespersons has had the advantage of quickly training a number of our members in party politics," said Gahrton, who was with the party at its very inception and probably will be a key figure if the party gains representation in parliament.

All important decisions in parliament will be anchored in the "grassroots level" of the party, according to Eva Goes. For this reason it will not be possible to tell the voters before the elections how the Environmental Party will vote on various issues. Not even the most obvious of all constitutional questions, whether the Environmental Party is for or against democracy, will be answered in advance.

Heavy Demands

The primary task of the Environmental Party, according to its election platform, is to push environmental issues. Their demands are also far-reaching and, consequently, they place a heavy emphasis on regulations, bans, controls, and compulsion, even though the campaign platform states that the Environmental Party does not want more controls.

Some examples: All nuclear power plants will be closed within 3 years. There will be an end to the large-scale use of private automobiles in the big cities. Gasoline taxes will be increased in stages. The congress adopted a resolution calling for 2.50 kronor per liter. Four billion kronor per year for 10 years will be invested in railroads. Garbage burning will be prohibited. Sales tax on basic Swedish foods will be eliminated. Subsidies will be given to farms based on their surface area. Payroll taxes will be reduced in rural areas and for healthcare employees. Parents' insurance will cover 2 years, 1 year for each parent. EC membership will be rejected.

One representative to the congress, Gunborg Andersson from Gallivare, asked the pertinent question: Does the congress know what resolutions it is approving, with respect to those previously approved by the congress, or are old resolutions automatically thrown in the trash can?

The question was laughed off as if it were a proposal that trash cans be abolished.

'No Chaos'

The Environmental Party also refused to say which party its new speaker, to succeed Ingemund Bengtsson, would come from once parliament convenes after the elections. A decision would show that the party had chosen sides in the struggle between the political blocs and this would split the party. They will not take this risk while they are on the verge of achieving the illusive goal of representation in parliament.

"But no one need fear that the Environmental Party will cause chaos in parliament," said Gahrton, who rejected the assertion that the Environmental Party would be to the national political scene what the Stockholm Party was in Stockholm City Hall.

The Environmental Party was able to take a position on the conflict in Israel on the last day of the party congress, however. The party issued a statement calling for a boycott against Israeli goods and urging the government to support the Palestinians with food and medicine.

Paper Assesses Congress

36500092 *Stockholm DAGENS NYHETER* in Swedish
5 Apr 88 p 2

[Editorial: "The Environmental Party and Power"]

[Text] Uncertainty concerning the prospects for the Environmental Party of the Greens in this fall's parliamentary elections increased significantly with Sunday's IMU (Institute for Market Research) poll. The drop from 9 percent in February to 6.5 percent is all the more painful since the poll also shows that only a little over half the party's supporters are sure about how they will actually vote.

These poll results have dampened spirits at the party congress in Uppsala. Still, it is ridiculous to state, as spokesperson Eva Goes did to TT (TIDNINGARNAS TELEGRAMBYRA), that it was a matter of who commissioned the poll. If this were the case, then the Environmental Party's advances this past year must have been due to various commissions with the public opinion institutes! This was not the case, of course.

Insiders at the Environmental Party believe the election results will be just above—or just below—the 4-percent requirement for representation. The party's election lists

for parliament were compiled with this in mind, meaning that they would receive 14 seats—or no seats at all. The targeting of young voters, including a campaign film being shown at movie theaters, shows that maximizing the effect among certain voter groups has had to take precedence over a nationwide campaign. At the same time, the Environmental Party's finances do not appear to permit it to spread its campaign material throughout the country. Nevertheless, the party has gone into debt, using party support in local elections as collateral.

What would happen if the Environmental Party managed to gain representation in parliament? The Easter congress has indicated that, at least in the question of who is to form the government, there is no definite answer. Despite internal opposition, the party wants to keep the choice between the Social Democrats and a nonsocialist government an open question. The party continues to believe that both sides will be forced to make concessions and that the Environmental Party could then choose the best environmental policy.

It is more clear now than ever before that this is a pure fabrication. Even leading Environmental Party members have stated openly that they could never support, even passively, a government that included the Conservative Party. Many would like to see a coalition between the Social Democrats and the Center Party or a minority government of either of these two parties. Bengt Westerberg, for one, has previously stated that the Liberal Party is not interested in participating in a government whose survival was dependent on the Environmental Party. In practice, then, Ingvar Carlsson would continue as prime minister until the government was brought down.

In reality, the behavior of the Environmental Party in parliament would depend to a great extent on its individual representatives. Consequently, it is interesting to see that neither of the party's two spokespersons, Eva Goes and Birger Schlaug, has been placed among the 14 "safe" positions on the election list for parliament. On the other hand Per Gahrton, who is more of a strategist, has a secure second place position on the Stockholm election list, so that he could return to parliament where he was a Liberal Party representative from 1976 to 1979. Because of his political experience and ability to speak effectively, Gahrton could probably take a dominant position among the Environmental Party's members of parliament, despite his formal position.

More than any other delegate to the party congress, Per Gahrton has stress the role of the Environmental Party as a power broker in parliament. He seems to think that the very goal of the party is to weaken the power of the government. While other Environmental Party members shrink back from anything that smacks of tactical maneuvers, Gahrton seems prepared to negotiate with both the right and the left to give the Environmental Party the greatest possible influence. This presupposes,

however, that other politicians will be willing to risk counting on a party in which the internal decision-making process is still being shaped.

Distrust of the Environmental Party was hardly diminished when the party honored Sister Marianne as a representative of the Alsike nuns' civil disobedience. It is bad enough that the party is not troubled by Sister Marianne's antisemitic statements, regardless of whether she herself understands their meaning. Now the Environmental Party has issued a general decree that political decisions need not be respected.

In difficult situations, individuals must be able to follow the dictates of their conscience, whether they be conscientious objectors to military service or people who try to save trees from cutting, but for a political party that wants to participate in democratically elected institutions, a call to break the law is an immediate disqualification. With this attitude toward representative democracy, the Environmental Party has no business in parliament.

Conservatives, Liberals Reject Ties

36500092 Stockholm DAGENS NYHETER in Swedish
6 Apr 88 p 12

[Article by Sven Svensson: "No Government With Environmental Party"]

[Text] We cannot imagine forming a nonsocialist government if the Environmental Party is a power broker in parliament. This was stated to DAGENS NYHETER by both Liberal Party leader, Bengt Westerberg and Conservative Party leader, Carl Bildt following the recently concluded Environmental Party Congress in Uppsala.

Many delegates to the Environmental Party Congress stated that they wanted to choose between various candidates for prime minister and to exercise extortion on the environmental issue.

In reality, this situation will never arise after the election. The Social Democratic Party leadership will decide who will be in the government, without consulting parliament.

If the Social Democrats should decide to step down following an election defeat, then parliament will elect a nonsocialist prime minister and the candidate will be appointed if he does not have a majority in parliament against him. If the Social Democrats leave the government on their own, then they will hardly vote against a nonsocialist candidate for prime minister.

"No, we will not govern with the Environmental Party," Liberal Party leader, Bengt Westerberg promised. The idea of first holding discussions within a coalition government and then going on to additional discussions in

parliament with the Environmental Party is not a good solution, according to him. The goal must be to gain a majority if we are to form a nonsocialist government, Westerberg said.

"I assume that the Environmental Party will support the present Social Democratic government," Westerberg continued. "In this case, the nonsocialist parties will not have the majority in parliament needed to form a government. This will be true whether the three nonsocialist parties together have more or fewer seats in parliament than the Social Democrats," he said.

Several statements made in recent days have also indicated that the Environmental Party assumes that the Social Democrats will remain in power, according to Westerberg.

"Those Environmental Party voters who want a Social Democratic government should vote for the Social Democrats, those who want a nonsocialist government should vote for a nonsocialist party, and those who believe the Environmental Party should be in parliament can vote for the Environmental Party."

"But I believe that a vote for the Environmental Party is also a vote for the present government."

No Chance

Carl Bildt also sees no chance of entering a nonsocialist government that would be dependent on the Environmental Party, he said.

"Considering the mishmash of ideas that came out of the Uppsala meeting, I find it difficult to believe that a stable government could be formed or could survive with the help of the Environmental Party. Sweden needs steady political leadership—and it hardly needs political chaos," Carl Bildt said.

The Center Party has not yet taken a definite position on the hypothetical situation that could arise following an election in which the Environmental Party assumed the role of power broker.

09336

TURKEY

Impact of GAP on U.S., Arab Relations
35540128a Istanbul TERCUMAN in Turkish
5 Mar 88 p 6

[Article by Yilmaz Oztuna in column "Historian's View": "GAP and America"; passages in boldface as published]

[Text] The International Institute for Strategic Studies in London, called USS for short, was established in 1958 and is an institution uniquely of our times with an

intricate web of relations. It is famed for its indispensable yearbook titled **THE MILITARY BALANCE** and other publications. It publishes in such detail that the officers of many countries lack such thorough information on their own armies.

This institute published a report last week on the geo-strategic implications of our GAP [Southeast Anatolia Project], and the Western press picked it up. This report seems to me to be a warning, with several addressees. Studies of this kind are usually done in response to a specific request and payment is made under the counter.

The institute is at the disposal of the Western system, and the boss of the Western system is the United States. What is going on? First the Kurdish report, then the GAP report... Is Turkey not a U.S. ally? Does it not occupy the area north of the world's largest oil field?

The report says that when the GAP project is finished Turkey will possess two-thirds of the water of the Tigris and Euphrates Rivers, Syria and Iraq will have no water, Iraq's population is growing rapidly and it is already having to truck water to villages, and this situation is going to cause many complications in the Middle East.

Also, according to Western estimates, Turkey's population, 55 million today, will rise to 90 million by 2020, Iraq's from 17 million to 40 million and Syria's from 12 million to 17 million. Population growth (taux de croissance) in Iraq is especially fierce, they say. Now instead of recommending population planning to Iraq, people are going to be trying to tell Turkey it has to give them water. There is no effort to get Iraq to share its Kirkuk oil. There is a rumor that Washington made such a suggestion to Ankara last year, that is, it said, "Go ahead, take Kirkuk and Mosul," but Turkey refused! So America started commissioning scientific (!) studies to formulate other projects!

Everybody is now aware that the GAP project will feed 5 million-10 million people in that region, that Turkey will cross the \$2,000 mark when it is finished and that it will no longer be possible for anyone who wants to pester Ankara with weird demands. The obstacles to EEC membership will also disappear, of course, and [Turkey] will become a true bridge between the EEC and the Islamic world.

The per capita income assigned Turkey by the West is \$1,000, \$1,500 at most. The most modern weapons assigned to the Turkish army are the ones used in Korea or, at the latest, Vietnam. Forcing these boundaries worries the West, the East, the North, and the South. Turkey's development is inhibited by constantly setting up problems for it.

Still, its cultural development is feared and dreaded...hoping that it would not find its identity and become an eternal nation. Anyone who reads history already knows that the Turks are an undying people. But no one is reading much history nowadays, they are too busy watching TV.

No one can even argue but that GAP is a turning point for the future of the Turkish state, it is so obvious a fact. And the irrigation canal project on the Seyhan and Ceyhan Rivers will certainly follow GAP.

Of course, America places numerous demands on Turkey. It probably complains about or dislikes our supporting the Palestinian organizations against Israel. Egypt exchanges ambassadors with Israel and, for years, has been receiving the largest share of American aid next to Israel. It keeps its economy going with this aid and has no need for the petroleum-producing Arab nations. The fact that Turkey has not exchanged ambassadors with Israel for many years but has kept diplomatic relations at the charge d'affaires level is, no doubt, less disturbing to Israel than to the United States, which is a larger and more powerful Jewish nation than Israel is. I do not know why we are unable to explain this adequately to the Arab states that want us to withdraw from Cyprus.

Can we not complete GAP as soon as possible and prevent it from becoming the topic of more confusing reports? Are we not strong enough to do this? Could we not make this a matter of national mobilization?

When we took Cyprus from Venice in 1571, the allied European fleet destroyed our fleet at Lepanto. In one winter, we rebuilt the fleet stronger than before. The entire empire was mobilized that winter, with the sultan giving over half of his private garden to a shipyard to allow the construction of just four more galleys. When summer arrived, a mightier fleet than ever set sail on the Mediterranean. Haven't we statesmen today to match those? Has our national fervor diminished? Is our economy inadequate, have we no money? All through history, it has taken great scheming and complex efforts to accomplish great things.

08349/09599

Expert Sees Growing Turkic, Islamic Influence in USSR

*35540118b Istanbul TERCUMAN in Turkish
26 Feb 88 p 6*

[Interview with Professor Hasan Koni, Ankara University, by correspondent Omer Kebapchioghlu; date and place unspecified]

[Text] Professor Hasan Koni, director of Ankara University Institute of [Turkish] Revolutionary History, and a foreign policy expert, commenting upon General Secretary Mikhail Gorbachev's glasnost and perestroika policies, and evaluating the softening of attitudes in Iron

Curtain countries, pointed out that in view of the Turco-Islamic revival the Soviet leadership has had to review its policies. Assessing Gorbachev's overall strategy and intentions for TERCUMAN, Professor Koni said: "In the Central Asian republics there is a potential which has to be taken seriously by the Soviets and the United States alike." He also pointed out that one-third of the Red Army was composed of Turks.

Koni drew attention to the point that many European countries and the United States are engaged in research on the Turco-Islamic potential in the Soviet Union, and that the only country where research on Central Asia does not show an increase happens to be Turkey. Among factors contributing to recent changes in Moscow's policies Koni cited the following: Turks constituting one-third of the Red Army, the developments in Afghanistan, and the possibility that China may soon take over the leadership of the socialist bloc in view of the rise in overall prosperity in that country.

Below are TERCUMAN'S questions and Professor Koni's answers:

The Nationalities Factor

[Question] What are the dimensions of the nationalities problem in the Soviet Union?

[Answer] The Soviet Union has been following a policy of assimilation until now. But recent developments in the economy and in communications have necessitated a different approach towards the nationalities, and more importance is attached to them. Another major factor forcing the Soviets to change their approach is the need to improve their economic situation by establishing closer ties with Western economies. And, within the socialist bloc China is about to assume the leadership, having brought relative prosperity to its people. The nationalities problem, which has been a factor since the sixties, is likely to get more exacting in the future. Recent developments have been along that line, inducing the Soviets to change their attitudes.

Detente Favorable to Soviets

[Question] In the aftermath of the Reagan-Gorbachev summit and within the context of a detente which also entails the Afghan accord, where do you see the nationalities problem? Are you saying that the United States has promised not to exploit the Islamic and nationalist movements in the Soviet Union? And, how do you reach that conclusion?

[Answer] The detente of the seventies worked to the Soviets' advantage. The Soviet Union got involved in many areas from the Indian Ocean to the Mediterranean, southern Africa, Cuba and Nicaragua. It also developed its nuclear arsenal during this time. Nowadays, American policies are not confined merely to military and diplomatic fields. In international strategy social policies

also have a place. We have seen from the mid-seventies onward that the United States has been following a supportive course regarding the Islamic factor within the Soviet Union to counter increasing Soviet strength. One can see evidence of this at conferences in American universities, as well as the U.S.-supported radio stations in Europe, beaming to the minorities [Radio Free Europe and Radio Liberty]

Contrary to conventional wisdom, I happen to believe that America, which gets its information from five thousand people inside Iran, is well-aware of what is going on in that country. The Soviets had to invade Afghanistan because of the developments in Iran and the Islamic resurgence. In any case, Afghanistan was within the Soviet sphere of influence since the fifties. The invasion can be explained in terms of international politics: In view of the Islamic resurgence, the Soviets wanted to create a buffer zone between their Central Asian republics of Turco-Islamic descent and Afghanistan. This is an important strategic card America holds for goading the Soviets toward peaceful resolutions.

There are indications that the Americans may have agreed to desist from exploiting the Islamic factor in the Soviet Union. After the summit, the Soviets agreed to pull back from Afghanistan, made friendly overtures to other Muslim countries, and increased cultural relations with Turkey. All these and the gradual softening in Bulgaria may be seen as indications of that.

One-Third of Soviet Army Muslim Turks

Following the detente, the Soviets may well have decided that there is no further need for aggression particularly when they are seeking closer ties with Western-type economies in order to salvage their socialist system. A second factor concerns demographics. In NATO countries the number of would-be soldiers is falling. Similarly, birth rates are down in Eastern Europe and Slavic countries. But, estimates show that one-third of the Soviet army is composed of Muslim Turks. Given that, the Soviets had to come up with more attractive and innovative approaches.

The Turkish Potential in Central Asia

[Question] What is the significance of the Central Asian Turkish republics from the Soviet viewpoint? Or, to put it more directly, is there really a potential to be taken seriously by America?

[Answer] Of course there is a potential to be taken seriously by America. There is an expected population explosion in the area. An interesting point is that the Central Asian republics have not lost any of their cultural features. These regions will be developing, in terms of population and migration, at a much higher rate than the Slavic areas. A political explosion in these peripheral regions may create serious problems for the center—as seen during the Kazakhstan incidents. The potential is

taken seriously not only in America but also in Europe where research on the Central Asian region has increased considerably. The one country where such research has not increased happens to be Turkey.

Nationalities in the New Age

[Question] What is the effect of perestroika on the Soviet nationalities policy? We have heard of demonstrations in the Baltic region and Central Asia, and of purges within the Party and the army. How do you view these developments?

[Answer] It is possible to say that important developments are taking place in these regions. Soviet and Marxist-Leninist theories take account only of industrial development models. Now we are entering the post-industrial age. And in this increasingly populated world of ours it will not be possible to hold such diverse nationalities together during a transition to new approaches, new models, and new technologies.

In the Pacific basin, a new economic area has been established—a new center of civilization. The Soviets are lately using capitalism in trying to salvage socialism. Such an approach will allow these nationalities to develop their own cultures and economies without being cut loose from the Soviet Union.

In the northern hemisphere we see a convergence of socialist and capitalist practices, creating a new sphere with common interests. We see the same thing in America's removing its trade barriers with Canada. They also have a continental shelf dispute between them, like the one we have with Greece. In about five to six years we should not be surprised to see a huge country called Canamerica. Thus, three major markets are being formed. The Soviet Union could not afford to stay out of all this, treating the nationalities like it used to.

The Nationalities Factor in the Red Army

Concerning the purges in the Party and the army... The army used to be the melting pot of nationalities. But that is no longer the case as was demonstrated in Afghanistan. Turco-Muslim Soviet soldiers could not shoot at the Afghans. Their units had to be sent back. The Slavic units had to be transferred from Europe to Afghanistan to be replaced by Muslim units on the European front. This was an important lesson for the Soviets. And, it was after these developments that the Turks in Bulgaria began feeling the pinch.

The continually increasing Turkish presence, with its considerable potential in Bulgaria a country of only 10 million, has caused anxiety and fear in that country. When the resurgence of Islam also became a factor, the Bulgarians began to wonder whether they could make the Turks forget their ethnicity by simply calling them

Muslim. In the aftermath of the U.S.-Soviet detente, I think they will desist from employing the divide-and-rule tactics against each other.

New Power Centers

[Question] In the aftermath of the Reagan-Gorbachev dialogue what kind of arrangements are being made in relation to superpower balances, spheres of influence, and the "backyards"?

[Answer] As I already pointed out, there is an emerging American-Canadian market. They are abolishing tariff walls. In Europe, where tariffs are rapidly going down to zero, there is a movement to expand the scope of the common market toward a political union. Turkey is also trying to be part of this major market, which is also supported by America, I think. There is also an emerging northern economic bloc between the Soviets (or the Eastern Bloc) and Europe, composed of developed capitalist and socialist countries—a prosperity zone where COMECON and EEC countries will cooperate and trade.

In the Asian region a Sino-Japanese rivalry can be expected. But, a new economic region is emerging in the Pacific formed by developed countries like America, Canada, New Zealand, Australia, Singapore, Hong Kong, and Japan. Those countries—Arab, Asian, and Latin American—which are left out of the three major markets would have to continue their struggle for development.

Turkey's Place

[Question] How do these developments affect the Middle East and the Balkans? What is Turkey doing, and what should it do?

[Answer] Turkey has stated its position during the past nine to ten years. The recent initiative has brought an atmosphere of peace to the Balkans. Turkey cannot allow itself to be at the mercy of random circumstances by remaining within the group of less developed countries. It will have to take its place within the European bloc, or the northern bloc as the case might be, composed of developed countries. But, Turkey does not intend to sever its ties with the Middle East either. If Turkey remains outside the northern bloc it will lose its power base because technology is produced by that side. Without producing technology one can neither fight a war nor make one's voice heard. Turkey, as stated by our prime minister, should be positioned to become a country where the European potential would be processed for the markets of the South. But, its real place is with the North, not with the South (and against the South if need be). One should not think that such developments will cause the loss of our culture. Nothing of the sort has happened so far, and it will not happen in the future. Actually, our culture will flourish. I am of the opinion that the right decisions are being made.

12466

Goze Sees USSR Provocation in Nakhichevan-Karabakh Troubles

35540128b Istanbul *TERCUMAN in Turkish*
7 Mar 88 p 7

[Article by Ergun Goze in column "Street Corner":
"Another Front of Russian Intrigue"]

[Text] The Russians used the deception of glasnost to stir up the Armenians against the Turks, but must be a little confused themselves now. Events probably exceeded their expectations. Even the Russians have to admit that nearly 40 people died in the clashes that broke out. And the problem is not over yet. The Russians are inciting these problems, no doubt, to disturb Turkey a little, too. It helps to refresh the memory.

Today, Armenia, with Moscow's instigation, wants the Karabakh region of Azerbaijan. That is, a dispute has broken out between two federated republics. The rationales are these: "This is Armenian territory. Most of the population is Armenian. But it was given to Azerbaijan during the time of Stalin on condition that the Turks not interfere in Central Asian affairs. Since the Stalin regime is being renounced today, this land must be taken from Azerbaijan and given to Armenia."

This ethnic scene, brought about today by a communist regime that has buried millions in wiping out nationalist feelings and substituting class consciousness, is disturbing...particularly to our "archnational" leftist intellectuals.

However, I would like to reiterate one thing. Karabakh is an autonomous region and it is attached to Azerbaijan. But there is also Nakhichevan land attached to Azerbaijan. This region, too, was left to Azerbaijan by Turkish-Russian agreement. The date of this agreement is 16 March 1921. Yusuf Kelam Tengirsek, Riza Nur, and Ali Fuat Cebesoy signed the agreement representing Turkey. Foreign Minister Chicherin and Foreign Affairs Commissar Celalettin Korkmazof [as published] of the Pan-Slav Central Executive Committee signed for Russia.

The agreement has 16 articles.

Article 3, paragraph 2 of the agreement reads:

"The two parties agree that the Nakhichevan territory, within the boundaries shown in addendum 1-(T) of this agreement, constitutes an autonomous region under the protection of Azerbaijan, provided Azerbaijan does not relinquish this protection to a third state."

It is seen that Turkey has, today, jurisdiction over Nakhichevan in any statutory changes. That is, Azerbaijan cannot relinquish this region to another republic under Russian pressure. Turkey's consent is necessary.

I have pointed out that the Armenians said about Karabakh which was attached to Azerbaijan in 1922, "Stalin gave it to the Turks on condition that they not interfere in Central Asian problems." In fact, it is between Nakhichevan, Armenia, Azerbaijan, and Iran. Karabakh is close to the Turkish border, inside the Azerbaijan boundaries, and the fate of this region concerns the Turks at least as much as the fate of Nakhichevan. That is, Turkey also has jurisdiction in the Karabakh problem. One cannot help but wonder under these circumstances. Is Russia trying to throw a wrench in the works for Turkey, who works so hard to keep peace with its neighbors? It seems so.

However, Turkey holds some trumps. First, by favoring the Armenians over the Azerbaijanis, the Russians have set themselves against the Turkish mass which comprises the largest minority in their country (21 percent). Also, one must add to this their offense against the entire Islamic world.

There are other things the Turks should do meanwhile, such as leave aside differences of tribe and dialect and unite in Turkish consciousness. In fact, we have learned that the slogan "There is no Kazakh, Khirgiz, Ozbek, Chechen, or Tatar, there are Muslim Turks" is circulating in Russia. Moreover, the Turks should reply to Russian imperialism by cooperating with the oppressed peoples of Russian hostage countries such as the Ukraine, Estonia, Latvia, and Lithuania and rescue the Armenians from the servitude of Russian imperialism.

Shall we wait and see what events will reveal?

08349/09599

Implications of Armenian Unrest for Turkey
35540135 Istanbul TERCUMAN in Turkish
3, 4, 5 Mar 88

[Article by Dr Oguz Karacay: "The Armenian and Azerbaijani Problem in the 'Soviet Russian Empire'"]

[3 Mar 88, p 7]

[Excerpt] When Democratic Party Minister Samed Agaoglu, son of the famous Turkish Ahmet Agaoglu, returned from a trip to the Soviet Union in 1966, he wrote the book "The Soviet Russian Empire" and explained his reasons for giving it that name as follows: "...The Soviet Union is in fact an empire. The extent of its lands, the subject nations under one dominant nation, its colonies and its grasping ambition resemble all the empires of the past from Rome to the Russian czars. The only shade of difference between it and them is that it desires no empire other than itself."

The demonstrations held recently in Soviet Armenia claiming that the Karabakh autonomous region belonging to the Azerbaijan Soviet Republic is Armenian land and, therefore, ought to be attached to the Armenian Soviet

Republic, may be viewed at first glance as conflicts between "two subject nations of the empire," according to the above description. However, an objective interpretation, arrived at by bearing in mind historic developments in the region, will show that there are dimensions that bear on historic Turkish-Russian relations in one aspect of the matter and that, indeed, the aspects of it that concern Turkey are at least as important as the first.

[4 Mar 88, p 9]

Shall We Look at the Map?

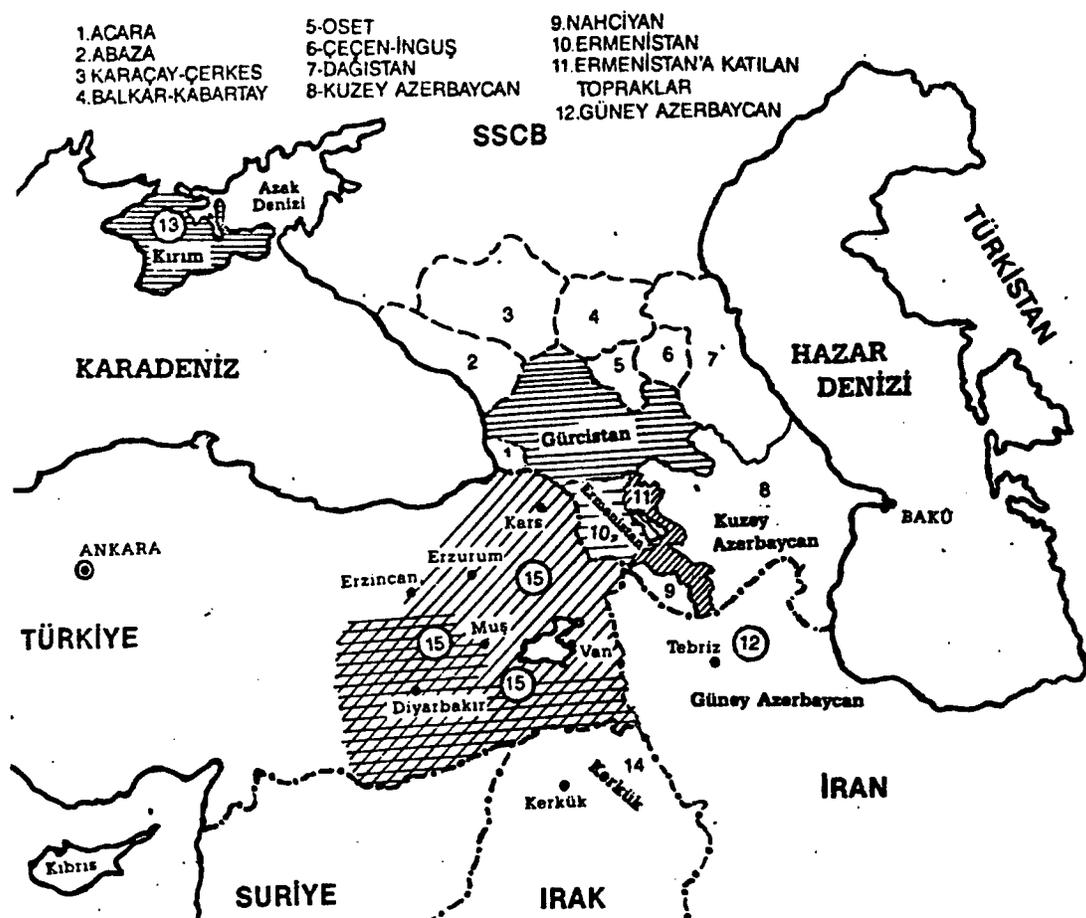
[Excerpt] Samed Agaoglu wrote the following in the book we mentioned at the beginning: "The three founders and builders of today's Soviet Russian Empire were Peter the Great, Lenin and Stalin. It was Peter who drew up the great political plan, perceiving the boundaries to which the Moscow Principality should extend. None of the czars who followed him and neither Lenin nor Stalin, who came after the czars, took one whit away from this political plan outside of matters of style.... While touring the rooms where Lenin worked in the Kremlin, we looked carefully at the large maps decorating the walls of his office. Every one of them shows the borders that ought to be Russia's on all four sides. It seems that the map on the left [below] places all of our eastern provinces and our Black Sea shores within these borders."

Lenin expanded the borders of Georgia and Armenia into Turkish and Muslim lands while defining borders in Caucasia and Azerbaijan in 1924 and placed non-Turkish and Christian blocks between its subject Turkish communities and Turkey. Stalin broke off the Turkish elements in Caucasia and the Crimea from their fatherland in 1943-1944 and scattered them to remote corners of the Soviet Union and, in 1945, wanting Kars-Ardahan, drove the Misket Turks from inside Turkey's borders to Turkistan. Both men, it seems, spent a lot of time poring over the map. They studied the map and, whatever they deemed necessary for the future of the Soviet Russian Empire, they did so without compassion and with a chauvinistic approach.

Turkey's 'Armenian Problem'

The national policy the Soviet Union is pursuing in Azerbaijan casts light on Turkish-Russian relations as well as on the Armenian problem that is a recent attempt to bring misfortune upon Turkey.

No one talks much about them anymore because they have abated, but there was nothing left unsaid officially or unofficially at the time when Armenian attacks against our diplomats were at their height except to note that even if the Armenians were mistreated in the past, it could not be laid against Turkey because it would have been done by the Ottoman government. You remember.



Armenia as the Russians contemplate establishing it.

- | | | |
|------|------------------------|----------------------------|
| Key: | 1. Adjar | 9. Nakhichevan |
| | 2. Abhazia | 10. Armenia |
| | 3. Karachayev-Cherkess | 11. Lands added to Armenia |
| | 4. Kabardia-Balkaria | 12. Southern Azerbaijan |
| | 5. Osettia | [13. Crimea] |
| | 6. Chechen-Ingush | [14. Kirkuk] |
| | 7. Dagestan | [15. ?] |
| | 8. Northern Azerbaijan | |

But we did not see, hear or read of anyone who put enough thought into it to come out and say, "Yes, and who will be the beneficiary if these impossible Armenian demands are realized?"

Let us suppose that the ASALA Soviet that the Armenians demand was established in the "Six Countries"

(the area including our provinces Erzurum, Erzincan, Agri, Sivas, Elazig, Diyarbakir, Bitlis, Siirt, Mus, Van and Hakkari). What function would this soviet perform?

Look at the map before answering! Such an artificial formation would leave even the "most imaginary" physical unity of the Turkish peoples of Turkey and the

Soviet Union beyond access. Indeed, in this situation, the distance between Turkey and the Turkish elements in Southern Azerbaijan (Iran) and Kirkuk is clearly seen. Please, let us not stop our ears to the whispering of the map! If Armenian attacks are resumed, let us pay need to the plan behind the event without wasting time on the same old euphemisms about their blood's not being shed in vain.

[5 Mar 88, p 9]

[Excerpt] Upon looking at the map, we must not lose sight of the possibility that these events, which still have not cooled down, could conclude with the Nakhichevan Autonomous State's becoming a thing of the past by having this historic Turkish land attached to Armenia, thus manifesting the historical anti-Turkish policy.

In these times when the world is constantly shrinking, it would be a serious step toward closing the distances between the world's Turks, great enough already, if we would recognize the existence and intentions of those who wish to make them grow in every sense of the word.

8349/9274

New 'Dual-Lane' Foreign Policy Approach Said Paying Off

*35540118a Istanbul MILLIYET in Turkish
26 Feb 88 p 12*

[Article by Sami Kohen]

[Text] The Turco-Bulgarian protocol agreement signed in Belgrad is the product of a new style in Turkish diplomacy. We can call this the "dual track" diplomacy. The first track is geared toward confidence-building measures, and development of economic, cultural and other relations. The second track concerns the resolving of problems between the countries through negotiation.

This policy has had its first brilliant coup by bringing about the meeting in Davos. With the new Turco-Bulgarian protocol another link has been added to this chain.

The positive aspect of this approach is this: Though Turkey has always tried to resolve its differences with its neighboring countries—like Greece and Bulgaria—through negotiation, Ankara's calls have usually failed to find an echo, and have even met rejection. Like Papandreou, [the Bulgarian leader Todor] Zhivkov had been maintaining that there was not an issue to discuss with Turkey or with any other neighboring country.

But Turkey's new and different approach has led to a change in Sofia's attitude, as has been the case with Greece. And as such, the Bulgarians have not only agreed to sit at the table to discuss cooperation in economic,

cultural and other fields but expressed a readiness to talk about human rights issues—i.e. the situation of Bulgarian citizens of Turkish descent.

This new approach has now been institutionalized, in keeping with the notion of the dual track, by the establishment of commissions and other mechanisms. One reason why Bulgaria has decided to respond to the Turkish proposal is the extensive scope of the dialogue—not confined simply to the issue of Bulgarian Turks but entailing cooperation in many other fields. But, undoubtedly, there are other reasons as well.

Intensive efforts on Turkey's part at international forums and bilateral meetings during the past three years have borne fruit. Condemnation of the Bulgarianization of Turks, coming from many international organizations and countries, created problems for Bulgaria. The Bulgarian authorities began to feel that even their closest friends, including the Soviets, were uncomfortable with the situation. Meanwhile, Zhivkov's reform initiatives and the winds of glasnost and perestroika blowing through Bulgaria, as they are through the Eastern Bloc, have induced the Bulgarian leader to adopt a more flexible stance toward the issue and toward Turkey's silent diplomacy.

In short, all these factors have brought Bulgarian state officials to the conclusion that a dialogue, long-advocated by Ankara, would be preferable to the policy of tension and crisis.

From the Turkish viewpoint, the "neighbor's" acceptance to sit at the table is a positive development. But, if this new policy is to be successful in the long run it is necessary to make sure that the Bulgarian Turks are relieved of the unfair treatment and oppression which has been their lot so far, while the development of economic, cultural, and other relations between the two countries continues apace.

Pronouncements by Foreign Minister Mesut Yilmaz and the decision to convene meetings of two separate commissions in Sofia and Ankara on the same dates might indicate that the initiatives will be undertaken concurrently. Increased cooperation is the easier part. But, the question remains whether we can expect Sofia to change its attitude concerning the Bulgarian Turks. The statement by the Bulgarian foreign minister that the Bulgarian Constitution will be changed to comply with the Helsinki Final Act is a hopeful development. Words by Bulgarian state officials to the effect that some of the "divided Turkish families" would be allowed to emigrate to Turkey may also be a good start. But, at this point, we should expect Bulgarian authorities to put an end to the policy of forcibly assimilating their citizens of Turkish descent.

In short, the Belgrad protocol has opened a dual-track toward a Turco-Bulgarian rapprochement. Now, continuation of this success is dependent upon simultaneous progress along both tracks.

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FEDERAL REPUBLIC OF GERMANY

Army Most Impacted of 3 Services by 1989 Defense Plan

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Apr 88 p 11

[Article by Wolfgang Flume: "The 1989 Federal Defense Plan"]

[Text] [Box] "I believe we have been successful in creating conditions under which the Bundeswehr will continue to remain operationally ready in the second half of the 1990's, to include its capability of fulfilling its forward defense mission. There is no other country which plans so far ahead, and which does so publicly." Those were the words used by FRG Minister of Defense Dr Manfred Woerner in a press conference on 24 February, during which he presented the essential features of the 1989 FRG Defense Plan which he had approved the day before. This FRG Defense Plan covers the 15-year period 1987 to 2001. The reason it is more significant than previous ones is the fact that this Bundeswehr plan, which will be debated by the parliament during the next few weeks, represents the first attempt to deal decisively with existing manpower and budgetary problems. This has led to comprehensive consideration of all efficiency measures and to an overall mission-oriented optimization of the Bundeswehr, rather than one for its component armed forces. This effort represents essentially the work of the chief of staff of the Bundeswehr, Admiral Dieter Wellershoff; one of his predecessors, General Harald Wust, had been unable to sell a similar plan to his minister. [end box]

The annual Bundeswehr Plan represents Minister Woerner's creation of a summarization of long-term armed forces plans and the annual 5-year programs. The former had previously been issued at irregular intervals. It covers a 15-year period, always starting with the current fiscal year. The 1989 Bundeswehr Plan starts with FY 1987. It would have been issued at the end of last year, if the minister of defense had not decided to withhold his approval pending his chief of staff's grave illness.

We must bear in mind that despite its long-term planning period, a Bundeswehr Plan represents a mere flash of insight into the current situation. It is based upon the planning documents of the individual component services and the other organizational entities and provides facts about the following:

- Units and facilities to be established and maintained by type, number, organization and strength;
- Trends in manpower and manpower structure;
- Research and development programs;
- Planned materiel procurement as to type, numbers and delivery schedules;

—Infrastructure programs;

—Budgetary requirements arising from operations and planned procurement.

Expenditures cited in the Bundeswehr Plan—which for obvious reasons will remain classified to a large extent—are based on the figures contained in the 21st Financial Plan, which covers the period through 1991. However, the financial projections developed by the Defense Ministry's budget office for the first 6 years of the Bundeswehr Plan are somewhat in excess of the 21st Financial Plan; this should serve to emphasize the challenges to be met by the Bundeswehr Plan. Specifically, expenditures for 1989 are to amount to DM 53 billion (the DM 52.2 billion of the 21st Financial Plan plus 0.8); for 1990, DM 53.7 billion (52.8 plus 0.9); for 1991, DM 54.7 billion (53.5 plus 1.2), and for the ensuing years until 2001, DM 55.4 billion as a financial guideline with zero increases but with the hopeful expectation of compensation for inflation—a relief seldom obtained to date. These figures are fully projected and even exceeded slightly. At first glance, they are incomprehensible from the standpoint of today's financial situation, which would call for an increase in the 22d Financial Plan over its preceding plan lower than the financial projections of the Bundeswehr Plan. However, planned expenditures of the past were seldom spent on schedule as a result of program delays, plan changes etc. Should the 22d Financial Plan therefore show a lowered increase, the next Bundeswehr Plan would have to incorporate slight expenditure priorities, because that plan would in turn be based upon the 22d Financial Plan. Now let us take a look at the most important features of the 1989 Bundeswehr Plan.

Major Efficiency Measures

Available resources are to be used as effectively as possible. This is to be accomplished in the following manner:

—Concentration and centralized treatment of missions for the entire Bundeswehr, e.g., reconnaissance, communications and air transport.

—Elimination of duplication through more specific mission definitions and points of emphasis. For example, the Army should eventually become capable of conducting combat operations without ground combat air support by the Air Force. The Air Force is to concentrate its efforts on fighting enemy air and attacking rear area targets.

—Reduction in operational expenditures, e.g., simulator training to save travel of combat vehicles and expensive training ammunition. This is designed also to attain a better ratio of procurement versus personnel and operational expenditures, to increase the share of defense-investment missions once again to about 35 percent (1988: 32.9 percent).

—Restricting armament programs to rigid cost limits. This would be accomplished mainly by freezing weapon system specifications prior to the start of the development phase and maintaining cost limits by reduction in numbers.

—Thorough exploitation of the growth potential of weapons carrier systems for performance improvements.

—Adapting organizational structures to conditions existing during the 1990's, especially as concerns the Army and Air Force.

Army

The greatest structural changes will occur in the Army. While the number of divisions will remain the same, they will contain 41.5 brigades with a strength of 50-70 percent. Their operational and mission orientation will be much stronger than in the past. Among the new units are five airmobile brigades, created by combining Army aviation and airborne troops; seven infantry brigades and two security brigades. While these units will be more viable by means of strengthened command echelons, they will depend, to a greater extent than in the past, upon calling reservists to active duty in times of emergency or war. There is to be increased capability in the following areas: air mobility (among other programs, development and procurement of the PAH-2); emphasis on firepower (MLRS, the Self-Propelled Howitzer 2000, the Army battle drone); and interdiction capability.

Details of this new Army Structure 2000, which is to be implemented by 1995, are shown on p 49 of this issue [WEHRTECHNIK].

Air Force

The Air Force will sustain the greatest personnel reductions; the number of active duty military personnel (manpower slots) will decrease by 11,900, to 98,000.

Inasmuch as the Army has become "self-supporting," the Air Force will concentrate its efforts upon combat in a depth of about 100 km against enemy air on the ground and in the air as well as against enemy ground forces in their rear areas. Beyond that however it is to remain capable of supporting friendly ground forces in times of emergency.

There are plans for procuring an additional 35 Tornado IDS fighter bombers. They will be flown by the 41st Fighter Bomber Wing in Husum, which is currently using the Alpha Jet, and which will then become the 7th Tornado Wing. (In peacetime, the Air Force has presently five Tornado wings, with two IDS squadrons each. One of these wings, the 32d Fighter Bomber Wing in Lechfeld, is to receive a third squadron, which will be equipped with ECR. These and the Tornados stationed

in Cottesmore would constitute a 6th Tornado Wing in case of war.) The Alpha Jets of the 41st Fighter Bomber Wing will then be used in the Tornado wings for training purposes.

Meanwhile, Minister Woerner has also approved development and procurement of the Jaeger [Hunter] 90. After a certain amount of cost cutting, plans call for DM 5.85 billion for development and DM 16.5 billion for the procurement of a minimum of 200 aircraft.

Navy

There will hardly be any structural changes in the Navy. The chief of naval operations had already made changes in operational planning last year, more or less in anticipation of the Bundeswehr Plan. The number of active duty military personnel will decrease by about 12 percent, from 38,700 to 34,100. Forces intended for Baltic operations initially are to be reinforced as follows: through increased combat capabilities of submarines (12 of the 206 class); fast patrol boats (S-148 and S-143, the latter equipped with RAM); and flying weapon systems (modification of Seakings to gunship helicopters). Later upgradings will include a submarine specifically adapted to Baltic conditions (class-212, seven units initially), modern mines and minelaying units. However, the main thrust of modernization efforts will be concentrated on resources intended for deployment in the North Sea, especially new frigates (initially, four class-123 frigates) and long-range aircraft for submarine hunting (12 MPA-90 after 1997—a U.S. model is under consideration here); also, increased mine countermeasure capability by means of 10 new class-332 minehunters.

Manpower Structure

Bundeswehr defense manpower is to remain unchanged at 1.3 million military personnel—peacetime strength to remain also at 495,000; however, active duty personnel will be reduced to 456,000: 250,000 career and long-term servicemen (of which 97,000-98,500 are career military) and 206,000 draftees. Added to this are 39,000 reserve duty trainees and personnel in standby readiness.

There are widespread doubts that these figures are attainable in the 1990's—but they are being adhered to for political reasons as well. One of those reasons, according to Minister Woerner, is to retain credibility for the defense effort; another, to send a signal to the other side that it cannot expect unilateral disarmament. At the same time, the minister expressed his desire that emphasis be placed on negotiating conventional arms reduction.

Any way you look at it: "The greatest challenge of the future is to come to terms with the demographic problem." Added to this, according to Woerner, is the fact that "financial resources are too limited, which in turn limits opportunities for improvements all along the line."

9273/6091

Revised Training Structures Reflect Army Reorganization

36200078 Bonn WEHRTECHNIK in German
Apr 88 pp 78-83

[Unattributed article: "The Training in the Army"; first paragraph is WEHRTECHNIK introduction]

[Text] The objective of training is the soldier who is ready and willing for action, who alone or with others can act and fight in accordance with his mission. Training is inseparably linked with education and learning. Through training, the soldier acquires the abilities and skills that he needs to carry out his task. At the same time, the readiness for discipline, a sense of responsibility and cooperation is established, developed and consolidated, a readiness that must stand up to even the most difficult stresses. In this connection, it is especially important to show the soldier the meaning of his service, thereby promoting prudent action. In accordance with the many-sidedness and the high degree of technical sophistication of the Army, training takes place in a complex training system. In this system the main elements, troop training and command training, are coordinated with each other.

Troop Training in the Army

Troop training is the military training of individual soldiers, small combat teams (e.g., tank crews), elements, units and formations. The troop training of the soldier takes place within the framework of his basic military service and in reserve exercises for reservists. The mission and concept of the army determine to a considerable extent the objectives of troop training.

The goal of training is:

—To enable the individual soldier to carry out his tasks within the scope of his element (squad/platoon) independently, to affirm the worthiness of our basic state order to be defended, and, through understanding, to comply with his legal duties as a soldier;

—To enable units and formations to maintain and improve their constant operational readiness as part of the overall mission of the Army.

With this ambitious goal, troop training puts high demands on the individual soldier as well as on the superiors at all command levels. Consequently, troop training is the heart of the service of the army units and formations. It is an essential basis of the Army's combat capability. The structure and organization of troop training correspond to the demand for permanent commitment of a large part of the Army and for high combat effectiveness of the units and formations. To ensure this, it is necessary from the start for the training of the soldier to relate to his utilization so that he can be

integrated into the operational units immediately after short but intensive basic training. The troop training in the scope of the basic military service is therefore divided into the training areas basic training and advanced training.

—The basic training lasts 3 months; it is individual training and consists of a general military training part and an employment-related part. The general military training is largely the same for all soldiers of the Army. Here the soldier acquires the capability for self-defense and for survival on the battlefield. With the employment-related training, the soldier attains the capability for use in the special application foreseen for him, e.g., as a radio operator or gunner.

—The advanced training follows the basic training. It lasts 12 months. In advanced training, the soldier teams are to be formed that are supposed to wage battle and work together in combat. Hence, advanced training is essentially joint training in several training stages at the levels crew, squad, platoon, unit and formation. The advanced training takes place with an operational orientation. The focus of the training is the training requirements derived from the operational mission of the respective units. The main effort of the training, therefore, is the combat mission and the operational mission for staff and service support units. The climax of the advanced training in a unit is the company visit. Its purpose is to check the operational readiness of the unit and to determine whether it can fulfill its mission even under combat conditions. The visit essentially consists of a field training or supply exercise lasting several days that is supplemented by combat fire.

Extension of Basic Military Service

Beginning 1 June 1989, the basic military service in the Bundeswehr will be extended from 15-18 months. The additional training time thus made available will be used in the Army primarily to improve troop training and to eliminate weaknesses in the existing training system. With the new approach to troop training that this necessitates, the following aspects are pursued:

—The soldier's basic training at the beginning of his basic military service is to be improved noticeably. In this connection, the structure of the troop training and the overall content of training are being reorganized and thereby more training time is being planned for general military training. The result is that in the future the soldier reaches his full field serviceability about 2 months later, to be sure, but at a substantially higher level.

—The increased amount of time for training through the extension of basic military service will also be used to prepare the soldier—to the extent necessary—specifically for his mobilization work as a reservist toward the end of his basic military service.

—With the changed training system, the troop is given more latitude to organize troop training.

Exercises

Exercises are an indispensable means of training. They serve in the practical utilization of the capabilities imparted in the training. Exercises are also a barometer for the evaluation of the troop's state of training and they provide important insights for further training. In addition, command and operational principles as well as technical resources can be checked and pointers gained for their further development. Field training exercises of the units and formations at training areas and in open terrain are high points of training. As a general rule, they are the only possibility for training "combined arms combat." Exercises, especially in open terrain, are always set up so that the interests of environmental protection can be considered to the extent possible and man and nature not unnecessarily burdened.

Command Training in the Army/Officer Training

The Army has an annual requirement for more than 1,200 officers. Before joining the Bundeswehr, the officer candidate decides if he wants to study during his officer training. If he decides on a course of study, his obligation time is 12-15 years. In training without studies, he can choose between obligation times of 3-15 years.

Initially both courses of training proceed in a parallel manner. The officer candidates are first trained jointly with the other soldiers of an enlistment quarter in basic and advanced training. This 9-month period of training in the rank and file is followed by participation in the cadet officer course of instruction. The objective of the cadet officer course is to train the officer candidate to be a commander of a squad of his branch of service and to be an instructor in basic and advanced training. The course lasts 3 months and takes place in the service school of the respective branch of service.

In the quarter after the cadet officer course, the officer candidates are employed as squad leaders in the basic or advanced training in the troop to acquire first practical experience as superiors. In the following 4 and 1/2 months, the officer candidates take part in the hand-to-hand combat training and finish—to the extent necessary for the subsequent studies—a basic practical course and the rest of the time continue to be used as squad leaders in the troop.

After that, they take part in a course of instruction for officers lasting 4 and 1/2 months at the officer candidate school. Exceptions to this are the officer candidates with an obligation time of 3 or 4 years. They attend the 2-month reserve officer course at the troop schools and subsequently are employed as platoon leaders in the troop until the end of their period of service. The training objective of the officers' course is the capability

of performing the general command tasks of an officer in field service. For this reason, the subject areas leadership and command in combat are the focus of the course. It concludes with the officer test, the passing of which is a prerequisite for participation in the platoon leader course and subsequent studies.

After the officer's course, the officer candidates with the exception of the officer candidates of the repair and supply troops take part in the platoon leader course of their branch of service. It lasts 3 months and again takes place at the respective service school. The objective of the platoon leader course is to enable the officer candidate to command or train a platoon or a comparable element of his branch of service.

Subsequently these officer candidates are employed for 1 year as platoon leaders in the field forces. During this time, they have full command responsibility for a platoon and thus before beginning their studies they acquire the field practice that they need to see the subsequent studies in relation to their carrier as officers. The studies following their activity as platoon leaders last 3 years 3 months.

The following courses and technical specialties are now being offered:

—pedagogy—economic and organization sciences—machine building—electrical engineering—structural engineering—computer science—surveying—air and space technology—engineering design technology—economic engineering—industrial management—national economic theory—political science

After successful studies and the earning of a diploma, they are again utilized as platoon leaders in the field forces. As already mentioned, the officer candidates of repair and supply forces do not immediately take part in the platoon leader course after the officers' course. For these officer candidates, the conclusion of a course of studies is required for utilization as platoon leaders. They, therefore, begin their studies after 2 years 3 months duty time. They subsequently complete the platoon leader course. Their utilization as platoon leaders of the service branch follows the course of instruction. Officers of the training course with no course of studies and an obligation time of 5-15 years are used in the field forces after the platoon leader course.

Except for the lack of a course of studies, their training corresponds to that of all other officers. If the young officer with an obligation time of 12-15 years proves himself as a platoon leader, he is, as a rule, given further training as a company/battery commander. Career officers go through advanced staff officer training. A special feature is the training to be an officer of the Military Technical Service:

The possibility of ascending to this career exists starting with the 7th service year for especially qualified staff sergeants. In accordance with the increasing technical sophistication and specialization, officers of the Military Technical Service are employed in areas that require extensive professional know-how and years of experience as well as technical responsibility and independence. The advanced training to be an officer of the Military Technical Service includes the officers' course of instruction with a career test and technical training at one of the army technical schools. The technical school training leads to a diploma recognized by the state, e.g., as technician, industrial manager or educator.

Noncommissioned Officer Training

After participating for 9 months in basic and advanced training, the noncommissioned officer candidate attends the noncommissioned officers' course of instruction part one in the fourth training quarter. This training phase carried out in the field forces precludes the advanced training and establishes the prerequisites for participation in the noncommissioned officers' course of instruction part two.

As a career course of instruction, the noncommissioned officers' course of instruction part two at the service school of the respective branch of service is the core of the junior grade noncommissioned officer training. Focal points of the course of instruction are the training to be a superior, commander and instructor and the purposeful preparation for the main employment. As a result, the candidate takes part in this course of instruction in the fifth quarter of his training. It lasts 11 weeks. A legally prescribed noncommissioned officer's test is included. It is a prerequisite for promotion to noncommissioned officer, which occurs after 15 months. Junior grade noncommissioned officers who are employed as instructors are supposed to take part in a 4-week "supplementary training course" in the 2nd service year. This is a course of instruction with no test or evaluation. It takes place in the Army service schools and has the objective of expanding the capabilities of the noncommissioned officer as a superior, commander and instructor on the basis of his own initial experiences and of achieving the appropriate application of leadership principles and training methods. After his period of probation as a junior grade noncommissioned officer in the field forces, the noncommissioned officer with a minimum obligation time of 8 years is trained as a staff sergeant in the advanced training step A, generally beginning in the 4th service year. The participation in the courses of instruction of advanced training step A is centrally managed through the Army Enlisted Personnel Office on the basis of individual training and utilization planning.

The training step A is comprised of:

—The staff sergeant course of instruction as the military part;

—The technical advanced training (if possible, civilian occupation at the master level). Both constitute a unit.

The staff sergeant training course lasts 16 weeks and again takes place in the service school of the branch of service. The objective of the course of instruction is training as a superior and educator at the rank of staff sergeant, commander and instructor of an element of his branch of service. The staff sergeant training course includes the staff sergeant test. It is the precondition for promotion, which can occur no earlier than the end of the 4th service year.

The objectives of the technical training and advanced training are:

—To improve the serviceability of the soldier in his billet;

—To link advancement in the Army with the acquisition of occupational qualifications and thereby to utilize the educational background for a military application.

Better qualifications as a superior, however, are always in the foreground.

The following principles are considered in the formation of the training courses:

—Military and technical training and advanced training in phases, jointly or imparted in relation to each other form a unit.

They must qualify one for a military application.

—Technical training and advanced training lead—wherever possible—to an occupation.

Technical advanced training is generally carried out at civilian training institutes or at one of the four army technical schools.

The Training of the Reservists

The intention of replacing the declining number of conscripts performing basic military service with soldiers in reserve duty training and, at the same time, of improving the Army's staying power force one to consider other things. In this connection, the adaptation of troop training to the extension of basic military service from 15-18 months and the forthcoming introduction of a new Army structure offer special opportunities for a new approach.

It is basically true that every soldier in his active duty time is trained for his mobilization employment and is utilized accordingly. For various reasons, however, the structure of the peacetime Army cannot correspond to the mobilization component in all areas. To a limited extent, therefore, it will be necessary to provide for a

supplementary mobilization training for soldiers in certain functions. In the future as well, particular attention must also be paid to the training of reserve officers and noncommissioned officers in accordance with qualitative and quantitative requirements. In model training courses, persons liable to basic military service are currently being trained as junior grade noncommissioned officers of the reserve. The planned extension of basic military service will offer better training preconditions for this as well.

The implementation of a utilization training course (for staff sergeants) is now being planned. In this course of instruction, qualified noncommissioned officers of the Army who serve more than 4 years but less than 8 years and who therefore do not fulfill the prerequisites for training as staff sergeants in the regular training course are to be trained for employment as staff sergeants of the reserve.

Indices or quotas will govern this training just as has previously been the case for reserve officer training. Reserve officer candidates with an obligation time of 2 years (SaZ 2) conclude the training including the career test during this time. Promotion to lieutenant in the reserve occurs in a manner analogous to the active soldiers, that is, 36 months after beginning of duty. It is still possible to be trained as a reserve officer outside of basic military service in reserve training. The advanced training of officers and noncommissioned officers of the reserve for higher or special applications occurs according to need alternating between courses of instruction in the Army schools, "on-the-job training," in individual reserve training, and in mobilization exercises at the prescribed billet.

As a rule, training in the mobilization employment occurs during a mobilization field or mobilization command post exercise lasting as long as 12 days at 2-year intervals or in individual reserve training.

Mobilization field exercises are divided into the preliminary course of the training and advanced training of commanders and functional personnel lasting up to 6 days and the main course of the joint training of all soldiers of the unit/formation. The culmination of a mobilization field exercise is a combat/supply exercise providing information on combat/operational effectiveness. Mobilization command post exercises serve in the advanced training of the command and functional personnel of a unit or formation. They last 4-12 days. Mobilization field exercises and mobilization command post exercises are generally prepared through short reserve training and/or official events lasting 1-3 days.

Many courses of instruction at Army schools and in part in training centers as well serve, as already mentioned, in the advanced training of noncommissioned officers and officers of the reserve for special or higher applications. Thus, besides training courses for motorized staff sergeants of the reserve, for example, such courses are also

held for company/battery headquarters commanders or company sergeant majors of the reserve and, in addition to courses of instruction for company commanders, there are also such courses for battalion commanders of the reserve. The objective of all courses of instruction and exercises is the concentrated imparting of the knowledge that the soldiers of the reserve need for the performance of their mission.

Training Resources

Motivation is needed for teaching and learning. Equally important for successful learning is the methodical organization of the training.

Different training resources are important for tackling the training material and for the versatile structuring of training. Training resources are means to an end. Through "visualization," they are to help make it easier to achieve training objectives. The instructor must know what training resources are available. The learning is facilitated and the training more successful when as many sensory organs as possible, especially eyes and ears, are involved. For this reason, the instructor must consider:

—The limits (advantages and disadvantages) of the training resources;

—Organizational conditions for the use of the training resources;

—Content of the training aids;

—Systematic preparation and rational use of the training resources.

Training resources save time, shorten the preparation and increase the success of learning. Their sensible use implies, however, that the instructor has technical command of the different training resources, correctly prepares them didactically, and can use them methodically with some promise of success.

The skillful handling of the training resources should not lead to the instructor's losing track of reality, namely, making training as near as possible to wartime conditions. In this connection, see:

—ZDv 3/1 "Methodik der Ausbildung" [Training Methods]

—ZDv 90/5 "Katalog der Filme, Bildreihen and Tontraeger der Bundeswehr" [Catalog of the Films, Picture Series and Sound Carriers of the Bundeswehr]

—HDv 900/300 "Katalog der Ausbildungsmittel im Heer" [Catalog of the Training Resources in the Army]

—HDv 101/100 "Die Truppenausbildung im Heer" [The Troop Training in the Army].

The organization of the training has become more and more difficult because of the increasing complexity of the combat material (weapons, equipment and systems) and the increased expenditure of training resources. In the future, it will continue to be burdened by other influences, e.g., reduced financial means, inadequate training facilities/practice opportunities, and environmental protection requirements. Hence the practical and rational utilization of up-to-date technology in military training is becoming more and more important.

Today the resorting to the possibilities of modern computer and laser technology for the simulation of technical-physical functions, process flows and environmental conditions makes it possible to organize training conditions and processes—heretofore not represented or only inadequately—purposefully, realistically and successfully and to document the result in a reconstructable manner. An indispensable precondition for the successful use of simulation is a well-reasoned concept for the use of all available training resources. In this concept, a simulator, as the clear conclusion from the optimization process of comparative cost/expenditure-benefit/success analyses for certain training requirements/objectives, will present itself as the most cost-effective training resource and the one most conducive to learning.

One thing must be clear, however: The simulator, even in its technical perfection, cannot and must never be the “nonplus-ultra training resource,” it can only supplement the training on original equipment. And in no case does it replace the instructor of the individual but requires an instructor and equipment operator experienced in the preparation, implementation and evaluation of the simulation with, in individual cases, the technically specific educational background/training.

The goal of the use of the simulator must be to achieve optimum efficiency that can be defined and quantified as:

- Achievability of the training objective;
- Reduction of operating costs;
- Preservation of combat material and lowering of maintenance costs;
- Meeting of environmental protection requirements;
- Adherence to (if need be, saving) of training time.

Training Areas and Environmental Protection

Besides the schools, the field training areas are the most important training sites of the Army. They offer the Army versatile possibilities for a quite realistic training in shooting and in combat duty.

The necessary preparatory training, especially in shooting, must take place at the garrison before moving to the field training area.

Available for this are:

- Small firing ranges on the barracks grounds;
- Garrison firing ranges;
- Garrison training areas.

The garrison training area should offer garrison formations opportunities for:

- Individual training;
- The training of the small combat team;
- The training of units and elements.

The size and type of the facility conforms to the number and type of the formations dependant upon it. Shooting with practice ammunition for small arms and hand-held antitank weapons as well as demolition work should be possible. At the field training area, the training provided in the garrison is to be expanded, checked and applied in instructional and combat shooting as well as field exercises. The Army uses 19 field training areas within the country and 6 field training areas abroad; nevertheless, the high demand of the German and allied formations dependant upon the field training areas cannot be fully met. The search for additional training possibilities in other European countries has so far been unsuccessful. All training facilities must continuously adapt to the changing requirements. Thus, e.g., the building of targets is of critical importance for the success of shooting training. Modern targets must be suitable for thermal imagers and reflect lasers and they must swing up and down or move diagonally and obliquely. This requires a considerable technical expenditure.

Training areas and garrison firing ranges are also the source of environmental strains, above all shooting noise and the movements of columns. In achieving the training objectives, it is a matter of making every effort to reduce environmental strains to a minimum. In the training of the soldiers, therefore, it is necessary to inform them of ecological interrelationships and to sensitize them to behavior that takes the environment into account. This occurs, among other places, in courses of instruction, seminars, and symposiums and through educational folders for the military training.

In addition, organizational, infrastructural and technical measures affecting training are taken or implemented, e.g., the building of antinoise facilities, increased training on simulators, prohibition of the use of combat and practice ammunition on Sundays and holidays, and reduction of shooting times.

On the other hand, a large forest stand, clean air, the renunciation of agricultural chemicals, and hence much original undisturbed flora and fauna frequently make training areas ecological islands as well as valuable components in the overall system of biotopes.

9746

Mission, Resources, Training of Submarine Flotilla Detailed

36200075 *Koblenz MARINE RUNDSCHAU in German Jan/Feb 88 pp 18-24*

[Article by Capt Dirk Horten, CO Submarine Flotilla: "The German Navy's Submarine Flotilla—Mission and Resources"; first paragraph is article summary]

[Text] The German Navy's submarine flotilla has been in existence since 1962, submarines have been sailing since 1957 under the flag of the naval forces in their area of operations. These beginnings have produced a model command of 24 submarines and 2 tenders. Capt Dirk Horten, commander of the submarine flotilla, offers an overview of the status today of the sector under his command. He describes the mission of submarines in the North Sea and Baltic Sea areas of operation, analyzes the threat and provides information about the submarine's weapon system, how it is used, and the training required to operate it.

The 1st Submarine Squadron in Kiel, the 3d Submarine Squadron in Eckernfoerde and the Submarine Training Detachment in Neustadt make up part of the Navy's submarine flotilla. The 1st Submarine Squadron has six class-205 submarines, six class-206 submarines and the tender Lahn as a support unit. The single-class 3d Submarine Squadron has 12 class-206 submarines and the tender Lech.

The Submarine Training Detachment is responsible for submarine basic training and submarine rescue training. In addition, it conducts parts of the operational training of the submarine crews.

The mission of the 24 submarines is to demonstrate in peacetime that by virtue of their high level of operational readiness and their presence they can provide defense in the operational regions of the Baltic Sea and North Sea and adjoining bodies of water. In a time of crisis the submarines are supposed to be in their areas of operation in a timely manner in order to be immediately operational as the key element in maritime forward defense in the event of an outbreak of hostilities. In wartime, submarine action is responsible for:

—Using the presence of submarines in the Baltic Sea to force the enemy as far to the east as possible to protect his sea routes and in so doing to contain his naval resources which are then no longer available for offensive use in the area of the entrances to the Baltic Sea.

—Continuously weakening the enemy when marshalling and advancing and countering as soon as possible his capacity to attack.

—Disrupting resupply destined to support the Warsaw Pact land front.

—Being involved in the North Sea and adjoining waters in securing the region by engaging enemy submarines and surface naval forces..

For the Warsaw Pact the Baltic Sea is of particular importance as a marshalling and concentration area for those forces which, parallel with the advance of the Warsaw Pact land front against Schleswig-Holstein and Jutland, are charged with seizing and opening the operational-strategic key position of the entrances to the Baltic Sea. The mere presence of the submarines and the possibility of their employment contain enemy forces and wear them down. They are no longer available for their real mission.

Because of the characteristics specific to them, only submarines are in a position to maintain over a rather long period of time an incalculable threat, even in an area with superior enemy forces. The capability of the submarine to be at a constant, unidentified level of operational readiness and for surprise attack forces the enemy to be constantly in a state of defensive readiness in the approach routes and in the area of submarine operations. Thus, even in the foreseeable future, these will be the only naval force which, over a rather long period of time and with acceptable cost and risk, will be able to fulfill their assigned missions in the eastern Baltic Sea, given the prevailing threat.

Area of Operations and the Enemy

In connection with the use of submarines some features of the generally familiar areas of the Baltic Sea and the North Sea must be highlighted once again. As in the case of the Baltic Sea, the difficult hydrographic conditions are also typical of the North Sea. In addition, wrecks and the many offshore facilities as well as remnants of old boreholes in the North Sea can impair submarine operations.

Just north of the Scotland-Skagen line the water is more than 100 meters deep. In respect to the Baltic Sea special mention must be made of the modest size of 120-360 nautical miles and of the fact that the Navies of the Warsaw Pact have almost the entire south and east coasts of about 1,200 km to deploy their units and installations.

The Warsaw Pact is always in a state of intensive and constant operational readiness. Its naval forces can appear in the area of operations within a few hours, its naval aviation within minutes. Large parts of the Baltic Sea, especially extended shallow water areas, are suited

to mine use both by submarines and against submarines. The shallow water zones along the south coast are important for the enemy's movement control.

In the event of war between the Warsaw Pact and NATO it is necessary to consider in respect to the Baltic Sea the Warsaw Pact's objective of securing full freedom for its operation there in order to support the forward progress of the land front with the operational-strategic intermediate objective of seizing and opening the entrances to the Baltic Sea. If the Warsaw Pact should achieve this goal, then NATO's land front along the boundary between central and northern Europe would be broken, utilization of Jutland as a base of operations by the Warsaw Pact would endanger NATO's supply traffic across the Atlantic to Europe, and the operational link between the Soviet's northern fleet and the Baltic fleet would be established. One-fourth of the naval warfare potential of the Warsaw Pact afloat in the Baltic Sea, including more than 150 boats and ships, are sea-based fighter forces. The Warsaw Pact's naval aviator forces capable of hunting submarines in the Baltic Sea consist of more than 70 units. They represent a substantial threat, especially for our submarines which are dependent on outside air. In the Baltic Sea there is always the expectation that enemy aircraft, which the submarines can detect only with difficulty and on a delayed basis, will appear at any time because of their flying speed and the proximity of their bases.

To employ their forces in the Baltic Sea the Warsaw Pact Navies can exploit several significant advantages:

- Their naval forces are in a position to be at a high level of operational readiness over an extended period of time and even prior to the onset of hostilities.
- They have the initiative.
- Because their forces are extremely numerous, they are subject to only modest wear and tear.
- Their network of coastal radar positions guarantees good surveillance of the seas off the shores of the Warsaw Pact coasts.

The large number of units which are capable of hunting submarines and which the Warsaw Pact keeps available in the Baltic Sea attest to the high value placed on the combat readiness and importance of German submarines there, or, from the point of view of the submarine flotilla, how many enemy forces are contained in peacetime by submarines.

Submarine Weapon System

The general advantage of submarines rests in their survivability and in their capability to prevail in areas of enemy superiority. Invisibility is the dominant strength. It permits the submarine to approach unnoticed within weapon range of the enemy.

The effectiveness of submarines is characterized by the fact that compared with other naval forces substantial armament is available at a relatively low cost in personnel and material. Overall, for the Baltic Sea operational sector in particular, there is a favorable ratio between cost and possible success.

The main weakness of conventional submarines is their dependence on the capacity of the batteries when required to snorkel. Moreover, compared to surface vessels their speed, which always depends on the power available, is less.

The 6 class-205 submarines displace 420 tons with a length of 43.5 meters. Their power output is 1,100 kW permitting a maximum speed under water of 17 knots. Armament consists of eight bow torpedo tubes for self-searching torpedoes, extremely heavy armament which is unusual for boats of this size. The diving depth of the boats is fully adequate for the intended areas of operations. The submarine carries a crew of 22 on a dual watch system. Load capacity and its limits are a limiting factor for the boats' endurance which can, nonetheless, exceed 1 month. The boats are now about 20 years old, an advanced age for such a complex weapon system. The 18 class-206 submarines were placed in service between 1973 and 1975. Externally and in respect to their dimensions they differ only slightly from the class-205 boats. They are larger, 48.6 meters long and displace 450 tons, and with 1,300 kW power output likewise have a speed of 17 knots under water. Crew strength and endurance are the same as that of their predecessors. Armament likewise consists of eight bow torpedo tubes from which it is, of course, possible to fire self-searching torpedoes, but mainly modern wire-guided torpedoes. During their course these torpedoes are connected by means of a guidance wire to the firing boat; this makes it possible to exchange information between torpedo and boat after being fired and with the torpedo's own sonar to provide the boat with an additional forward sensor. This is what guarantees quick reaction capability to changes in course and travel of the target as well as a high degree of hit probability. Class-206 submarines can also lay mines.

Both classes are built with nonmagnetic steel and designed to be low in noise to protect them from mines. Because of their small size they provide enemy sonar with only a small target. Their technical handling when diving and control behavior in depth are excellent, a feature which is important when used in shallow water.

Thus, the small boats can be employed in shallower waters than other submarines in which case the reduction in the third dimension naturally increases the danger since escape into deep water is only possible on a limited basis.

Rebuilding 12 class-206 submarines into class-206 A boats has been in progress since summer 1987. This rebuilding helps maintain combat effectiveness. Basically it involves integrating equipment with higher performance and better availability than previously. This is

supposed to speed up information processing, tactical plot and target data definition and thus shorten reaction times. This makes it possible to engage targets more quickly and at a greater distance. The totality of the measures taken is supposed to maintain the submarines' probability of success and capability to prevail, even beyond the next decade. Moreover, the rebuilding will effect improvements in the crew's living and working conditions.

Employment of Submarines

Tactically submarines operate on the offensive. Success depends largely on to what extent the advantage of the submarine, invisibility and difficult detection, is successfully maintained and the enemy surprised. Early discovery puts the submarine on the defensive and not only reduces the prospects of success, but also diminishes its survivability. After being discovered, in addition to immediate weapons employment, an important condition for further successful conduct of the mission is regaining its invisibility.

While snorkeling the submarine takes a very calculated risk vis-a-vis its invisibility by showing hull units. The enemy's opportunities for optical and electronic position finding increase. Moreover, the noise emission of the diesels makes it possible to locate a submarine better using acoustic means and limits its own passive position finding.

Submarines are employed as lone fighter units. A coordinated attack together with other units, whether they are submarines, surface units or aircraft, would require increased active operation of locating and communication facilities and would thus counteract the principle of invisibility and difficult detection. This does not eliminate being able to pit a concentration of submarines against a concentration of enemy forces. In respect to the water depth the principle of "the deeper the better!" basically applies to the employment of submarines. The deeper the water, the better the ability to be able to exploit three-dimensional engagement.

Personnel and Training

Approximately 1,000 soldiers serve in the submarine flotilla, about half of them on submarines. Active submarine operators and all those who occasionally go along are subject to strict medical control. The health standards which must be met in order to be able to operate a submarine are high.

If a crew member no longer meets the standards, then he is replaced until he again becomes fit for submarine service, or if this cannot be expected, he is transferred. Such not necessarily infrequent cases easily have an impact on the serviceability of the entire boat since given a crew of 22 soldiers there is scarcely any redundancy and the share of key personnel—in terms of percentage—is naturally high. In order to avoid such impacts on

the operational readiness of a crew, not only is medical care important, but also service support. Submarine operators regularly complete conditioning training at the Bundeswehr's physical education school, and they regularly have an opportunity to take cures [traditional European R and R at health spa].

Submarine-specific training of each future crew member takes place in the submarine training detachment. It includes submarine rescue training in a 30-meter-deep diving vessel.

After successful completion of submarine basic training the soldier joins a crew and together they go through the training program for the employment (EAP) of submarines. The EAP fills the submarine's travel time between two scheduled periods in shipyard, thus a period of about 2 years.

The goal of the EAP is to train submarine crews in such a way that serviceability can be achieved as quickly as possible, be maintained over a long period of time and be continuously increased. The EAP does not restrict the commander's responsibility for training his crew, rather the program provides him with clear guidance for systematic training.

In basic training, in accordance with the EAP, the crew is first trained in the safe handling of the submarine in respect to technical diving matters both on the surface and under water, also in emergency and dangerous situations. Then follows tactical basic training in the tactical trainer "Submarine Weapon System Training Equipment" (AWU) at the navy's weapon school in Eckernförde.

Upon successful completion of basic training the crew has achieved limited serviceability—demonstrated by several tests. In subsequent further training serviceability is raised to an increasingly higher level or ended after a change of position. The main issues and key elements in this training are segments which focus on firing torpedoes, followed by participation in maneuvers, review and advanced training courses in the AWU and service in the area of operations. In addition to these assignments, trials and tests, training assistance for courses of instruction at the navy's schools, cruises within the context of public service and assignment to the submarine training detachment for their practical training sections, which is especially important for their own next generation, must be successfully completed. This spectrum of tasks must be completed within just 100 days at sea per boat per year.

The submarines participate in all NATO maneuvers which call for the use of submarines in the northern flank area. Participation in the national Standard Fleet Employment Training Unit (SEF), which is set up twice a year, is taken for granted. Under its own direction the submarine flotilla annually conducts two torpedo-firing courses, in addition each squadron conducts a foreign

training cruise. Several times a year submarines travel to Portland in southern England for Flag Officer Sea Training (FOST) and to Scotland for the Joint Maritime Course (MJC) in order to participate in exercises there. Most of these exercises and maneuvers are linked with stops of several days in foreign ports which can range from western Europe to northern Norway and Sweden. In this connection, in keeping with their operation profile, the submarines are often single units, this means, they complete their tasks completely on their own and with no superiors in the vicinity. For boats of this size this is unique in the navy and is prized by the crews.

Evaluation

The mission of the 24 boats in the submarine flotilla as the key element in the forward defense is to neutralize during war the attack capacity of the Warsaw Pact, primarily in the Baltic Sea, and to disrupt its resupply. In peacetime and in a crisis submarines contain substantial enemy forces through a high level of operational readiness and presence and in this way contribute to deterrence and thus preventing war. The technical-tactical characteristics of the German submarines and the training of their crews currently guarantee them the necessary capability to prevail and adequate survivability. In the framework of a balanced fleet the features specific to their type make submarines an indispensable naval force even in the future in the Navy's area of operations.

12124

FRANCE

Costs of Hades Missile Program Examined 35190055b Paris LIBERATION in French 16/17 Apr 88 p 11

[Article by Jean Guisnel]

[Text] Socialist experts estimate cuts of 6 billion francs, which would lead to the demise of the Hades missile program. However, half those expenditures are already earmarked, and the Elysee Palace, which feels the proposal is more than premature, believes that financial considerations must remain secondary.

At this time, socialist experts are reflecting, which is exactly what their president-candidate and the closest, at any rate, of his personal advisers want them to do. The Defense Ministry has not escaped the range of their scrutiny, in the course of which some have foreseen a cancelation of the future Hades prestrategic nuclear missile from the land army, primarily for reasons linked to the progress of the strategic negotiations and to the foreseeable evolution of the situation in Europe, because financial motives—as far as everyone agrees in the “group of experts”—will come only later.

The entire Hades program, as calculated by the 1987-1991 Military Planning Law, amounts to 13.6 billion francs (footnote 1) (All figures are expressed in 1986 francs); this includes costs of the study, development, industrialization and manufacture of about 45 launchers, each equipped with 2 missiles with a minimum range of 500 kilometers as well as the radio systems needed for transmission of the presidential order to fire. Enhanced radiation nuclear warheads (neutron bombs) are also included in this plan. For the 5 years the current planning law has been in effect, appropriations for equipment (which are also called Title 5 appropriations) for the Hades amount to 7.7 billion francs, unequally divided over the several years. For 1988 the financial expenditure for this program agreed to by the Army is 900 million francs. It will continue to increase until delivery of the first operational firing units in 1992.

Of the 13.6 billion francs called for in the total program, the studies and the manufacture of the nuclear warheads by the CEA (footnote 2) (Atomic Energy Commission) amount to a little over 3.5 billion francs, which only covers the price of the vectors (missiles). The cost of the various systems of which they are a part is close to 10 billion francs. Of this amount, according to our information, half has already been paid by the Army. This evaluation includes a block of expenditures already earmarked and difficult to calculate: if the program were discontinued today, the cost for this part of the work would, in any case, have to be adjusted. Title 5 expenditures are not the only ones studied by the Socialist experts, who also examined the eventual impact of discontinuing the Hades program on the Army's operating expenses. The 45 launchers, which are expected to be organized in a single large brigade or division-type unit, would require—like the current Pluto missiles which they are to replace—about 5,000 men to operate and maintain them (protection, etc.). The annual personnel expenditures could be estimated at 250 million francs. The fact remains that discontinuing the program, if it is so decided, will not be a simple matter: at the end of June Aerospatiale will proceed with the test firing of a Hades missile at the Landes Testing Center, and it has just received its first launching vehicle. The Army, which is impatiently awaiting this weapon—which has a range nearly four times greater than that of the current Plutos—believes that it alone is capable of compensation for the conventional warfare advantage of the Warsaw Pact forces.

Will Francois Mitterrand actually attack this program, which has been under way for several years, if he is reelected? Nothing is less certain, even though the experts are entitled to consider this possibility and to calculating the savings it would permit—more than 6 billion francs. At the Elysee Palace they are inclined to think that financial considerations will not influence Francois Mitterrand at all, persuaded as he is that eventual savings by the Defense Ministry, on which, besides, he has not made any statement, are to be sought in the “overall picture” of the budget rather than in this

or that program. That short-range nuclear weaponry, of which the Hades will be part, may be opposed by German public opinion is only part of the question: Francois Mitterrand, if he is reelected, will doubtless be careful not to take unilateral nuclear disarmament measures. The fact that the Hades missile is expected to carry a neutron nuclear charge, a new item in the French arsenal, will in any case cause some deep reflection. From this point of view, the future president, whoever he may be, will not be able to avoid making decisions.

8735/9274

NORWAY

Army, Coast Artillery Acquiring Bofors Robot 70 Mark II

36500114 *Stockholm DAGENS NYHETER* in Swedish
20 Apr 88 p 6

[Article by Bjorn Lindahl: "Bofors in New Missile Agreement"]

[Text] Oslo—The Norwegian defense forces are going to purchase the Robot [Missile] 70 from Bofors for one-half billion [Swedish] kronor. The contract was signed on Tuesday [19 April], and is the first export deal for the new version of this air defense missile.

"This order is extraordinarily important for us," said Egon Linderoth, the managing director of Bofors.

Norway has previously purchased a billion kronor worth of Robot 70 missiles. Orders were signed in 1982 and 1985. The present deal is an element of a framework agreement, but there was no assurance that the Norwegian defense forces would select the Swedish air defense missile.

"We keep current as to what the competitors are able to offer," said the press spokesman for Norway's Defense Ministry, Erik Senstad.

The new version of the Robot 70 is called Mark II. It has greater explosive force and can penetrate through armor. In Norway it will be used by both the Coast Artillery and the Army. One threat which the Norwegian Armed Forces has noted over the past few years is the armored attack helicopters which the Soviets have been using in Afghanistan.

Last weekend, Norway's defense minister, Johan Jorgen Holst commented on Ingvar Carlsson's statement that Sweden may wind up completely halting weapons exports.

Holst was disturbed regarding the consequences such a decision would have for the Norwegian Armed Forces. Norway and Sweden have a cooperation agreement from

1983 on development of defense materiel. Because of climate and geographical factors, equipment developed in other countries is not always suitable.

/6091

PORTUGAL

'Contex 882' Naval Exercise Report Stresses Equipment Shortage

35420068 *Lisbon O DIA in Portuguese*
25 Mar 88 pp 12, 13

[Text] On Thursday, the Parliamentary Defense Committee boarded the frigate Roberto Ivens to witness the conclusion of the "Contex 882" naval exercise. Naturally, the deputies had the opportunity to observe, or hear, from Naval Commandant for the Continent Vice Adm Rodrigues Consolado the difficulties of the Portuguese Navy. O DIA's reporters, who were aboard, also saw and heard. The sailors are sailing on a sea of difficulties. Their dedication and enthusiasm contrast with the shortage of means at their disposal to fully fulfill the missions that are entrusted to them.

In exercise "Contex 882," which ended yesterday after 15 days at sea, the Navy did not play war games but primarily trained procedures. This "Contex" is part of the planning cycle of the Naval Command, which consists of a series of exercises, each of which has a given objective.

In January, the Navy held its first exercise of this year: "Contex 881." Only relatively simple procedures were trained. The exercise that ended yesterday was the second one, and more complicated procedures were exercised. "Contex 883," which will be a more complete training, will be held this coming April. Scheduled for June is "Albatroz 88," which will in fact be a big joint exercise of the Navy and Air Force to be held in Madeira, in which war games involving a fictitious political-military scenario will be played.

"Contex 882" began on Wednesday of last week and ended yesterday. It was 15 days during which procedures of "medium" difficulty were trained, such as: antisubmarine, air, and surface warfare; entering and leaving ports through mined channels; towing between ships; damage control exercises—ships that have been hit or suffered an accident, in which the crews have to take measures to test their defenses; electronic warfare; and resupplying.

On Wednesday, aboard the frigate Roberto Ivens, we witnessed a naval demonstration of six ships in maneuvers and movements, and a presentation of the submarine Barracuda, which surfaced and submerged a few miles from us. We also had the opportunity to observe the attack on the Barracuda with mortars, as well as a

real firing exercise that sought to test the reaction capability of the artillery on board. In this firing demonstration, three corvettes launched luminous rockets and all of the ships fired 100- and 40-mm guns, not concerning themselves about hitting the targets but, rather, exercising reaction time. Finally, we witnessed a resupply mission, with the Sao Gabriel neatly squeezed some 20 meters away sailing along between two ships as it refueled them with gasoil.

Participating in exercise "Contex 882," which involved a total of 120 men, was a naval force comprised of three frigates and a similar number of corvettes, commanded by Navy Captain Junqueiro Sarmento. This force would be joined by the submarine Barracuda and the resupply ship Sao Gabriel. The Air Force also collaborated with A-7, Fiat, C-130, C-212 electronic warfare planes and Puma helicopters. The British Air Force provided four antisubmarine missions, two of them off the coast of Algarve, with a maritime patrol plane.

'Many Things Are Lacking'

The Navy does not have the material capability to respond fully to the missions that are entrusted to it. That was undoubtedly the opinion that came through most insistently from stem to stern of the Roberto Ivens. Furthermore, in a meeting with the reporters, Vice Adm Rodrigues Consolado, stressed that "many things are lacking," adding that the personnel "are trying with great dedication, professionalism, and enthusiasm" to get the most out of the ships.

"There are always more needs than the funds allocated," replied the naval commandant for the continent, responding to a question as to whether budgetary funds were sufficient. As a matter of fact, this year the Navy has a budget of 31.3 million contos for normal expenditures and an additional 14.6 million for investments in connection with the new frigates.

The ships are old and equipped with obsolete sensors—their eyes—and weapons, with permanent damage that requires constant attention on the part of shipboard personnel and land support facilities. The materiel, therefore, does not completely respond to the mission that the Navy has to fulfill. At any rate, we became certain of that and, as the vice admiral would emphasize, "as long as we have the units we do have, we will make the best of it."

Adaptation to the new equipment will be much easier even if the personnel are trained on equipment that is not at all similar to the new one—that is a philosophy followed in all navies, Vice Adm Rodrigues Consolado said. "Even lacking the sensors and weapons we would make like to have will not in any way lead to a standstill," he declared, adding: "That would be extremely serious and could lead to the loss of a navy."

Frigate Sunk

We have sailors but we do not have ships, O DIA heard here and there among officers and men aboard the frigate Roberto Ivens. Such is the weak combat capability, and the great dominant factor in any navy is the human factor.

In a phase of the exercise that we witnessed, it was sought to attack the submarine Barracuda. There was an enormous boom and a 360-mm torpedo was fired from the bow of "our" frigate. Right on target, we thought. That is when from the other side of the firing line, the Barracuda, submerged a good number of meters, released white smoke to indicate that it was alive and that they had fired precisely toward the opposite side.

It simply happened that the old sensors—the eyes—with which ships are equipped are nowhere near those used by other navies, and they have not succeeded in detecting the submarine. While the shot may not have backfired, it had gone wide, very wide. After all, a case of saying: "Frigate sunk."

The sonars are French. They have not been manufactured in a long time. So it is difficult to get the necessary parts for good maintenance.

8711/12232

SPAIN

NATO Role Still Unclear Following Acceptance Into WEU

36200089 Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 28 Apr 88 p 12

[Article by Walter Haubrich: "A Special Kind of NATO Member—Spain Would Like To Make an Effective Contribution to Western Defense"]

[Text] Madrid, in April—Once again, various opposition parties, including [FRG Foreign Minister] Genscher's new friends in the CDS, are accusing the socialist Spanish government of turning to the right and being soft on the Americans and the NATO alliance. The reason this time is Spain's entry into WEU, the heretofore none-too-effective defense pact made up of seven European nations whose membership will increase to nine once Spain and Portugal have joined. EL INDEPENDIENTE, the newspaper with close ties to the CDS, accuses the government of betraying the popular will and having reneged on keeping Spain nuclear-free as stipulated by the outcome of the NATO referendum. The truth is that the government announced years ago that it would join WEU. The very newspapers which now accuse Gonzalez of having sold out Spanish interests by joining WEU were the ones which voiced patriotic outrage when the British and Dutch governments initially came out against Spain's entry into the organization.

Defense policy and above all Spain's international obligations are the preferred political issues on which Gonzalez is attacked. Since the Spaniards know quite little as yet about defense and alliance policy as compared to other European nations, the most absurd arguments on this score are apt to be believed by the Spanish voters. Popular Alliance, the conservative party, which favors a Spanish contribution to the defense of Europe in principle is in the habit of charging the government with a lack of clarity and inconsistency in its attitude toward the Western alliance. The conservatives say that the government position is "ambivalent, halfhearted and indecisive." The government, for its part, views its policy as a difficult balancing act between the decisions by the Spanish parliament and the clause approved by popular referendum on the one hand and, in Defense Minister [Narciso] Serra's words, "an effective and efficient membership in the Atlantic Alliance" on the other.

At times, such as in the present WEU situation, the government must resort to all the nuances of the Spanish language to explain the difference between "storing nuclear weapons inside the country" and "allowing nuclear weapons to pass through the country" or—more difficult yet—between "transito" [transit] and "escala" [stopover] of nuclear weapons in Spanish ports. On the basis of a subtle differentiation by the Spanish defense minister, ships belonging to Allied nations which are either equipped with or carrying nuclear weapons will only be allowed to make a "stopover" in Spanish ports; but nuclear weapons will not be allowed to transit Spanish territory. In other words, Spain will not follow the example of New Zealand which requires each foreign warship to state whether it is carrying nuclear weapons on board but will follow Japan's example and ask no questions.

In 1982, when the Spanish parliament voted unanimously to join NATO, it also decided that Spain would remain nuclear-free. Among the conditions for Spain's staying in the alliance set forth in the NATO referendum were non-integration of Spain's Armed Forces into the military command structure of the alliance, the reduction of the American military presence on Spanish soil and the "continued ban on transporting, deploying or storing nuclear weapons on Spanish soil." From a strictly linguistic standpoint, an argument can thus be made that ships stopping off in Spanish ports are not in fact carrying nuclear weapons onto Spanish soil even though they do spend a certain period of time inside Spanish territory.

Felipe Gonzalez and his party have themselves to blame for at least part of the present difficulties they face in explaining their defense policy. The party voted against Spain's joining NATO, promising during the election campaign to let the Spanish people decide in a referendum whether Spain should remain in the alliance or not. Until a short time prior to the referendum in March 1986, most Spaniards were in favor of leaving the

alliance. Using his great prestige and popularity, Gonzalez mounted a campaign to convince the people that it would be better for Spain to remain in NATO. Gonzalez, who had then served as prime minister for 3 and 1/2 years, said that he himself had come to realize that NATO membership offered more advantages to Spain than disadvantages. Spain's Socialists offered copious and plausible explanations for their change of heart on the NATO issue. Nevertheless, some segments of the opposition and the majority of the newspapers (which now support Adolfo Suarez) feel that they can hurt the ruling party by accusing it of having reneged on Spain's national interests in the defense issue.

Like France, Spain is not integrated into the NATO command structure. But unlike the former, it participates in the meetings of the military and nuclear committees. Some segments of the opposition portray this as still another indication of government inconsistency and as a major step along the way toward total integration. One thing is certain: Gonzalez would like to establish as close and intensive cooperation within the alliance as the conditions set forth in the referendum will allow. Both the Allies and the NATO general secretary have therefore expressed their satisfaction with the Spanish contribution to the common defense proposed by the Madrid government. On the occasion of his visit to Madrid, NATO Supreme Commander Gen Galvin said he hoped Spain might increase its contribution in the years ahead.

The Madrid government named six areas in which Spain might assume responsibility. First, to prevent the occupation of Spanish territory by an enemy of NATO; second, operations by the Spanish Navy and Air Force in the South Atlantic; third, control of the Strait of Gibraltar and its approaches; fourth, Navy and Air Force operations in the western Mediterranean; fifth, control of Spanish airspace and sixth, use of Spanish territory by NATO as a supply and support area. No Spanish unit will be placed under the direct command of a non-Spanish commander. The Madrid government is willing to turn over control of military operations in Spain to non-Spanish NATO commanding generals under certain conditions, e.g., also in joint maneuvers. Under no circumstances—not even in maneuvers—are Spanish units placed under the control or direction of NATO's Gibraltar Command (GIBMED). Because of its dispute with Great Britain over Gibraltar, Spain does not recognize this command.

The London government has shown understanding for Spain's refusal to cooperate with GIBMED and has proposed that control of the Strait of Gibraltar (including electronic surveillance of ships passing through it) be assumed by British NATO units whereas control over the approaches to the Strait be assigned to the Spanish element at Southeast Europe Command (AFSOUTH) in Naples, Italy. The Portuguese government voiced its concern over the second item on Spain's list of proposals, i.e., the operations by the Spanish Navy and Air Force in the Eastern Atlantic where Portugal has

assumed important responsibilities of behalf of NATO. Portugal fears that its role could thereby be diminished. But in an interview with this newspaper a few days ago, Portuguese President [Mario] Soares said he thought it would be quite easy to reach agreement on the minor differences between Spain and Portugal on this issue.

Spanish military leaders are satisfied with the government's defense policy. They are prepared to take charge of their new responsibilities with a certain amount of enthusiasm and are hoping to improve their technical know-how and equipment in the process.

09478

FEDERAL REPUBLIC OF GERMANY

Reform in USSR Seen as Inauspicious for Joint Ventures

36200076 Bonn RHEINISCHER MERKUR/CHRIST
UND WELT in German No 8 19 Feb 88 p 1

[Article by Fides Krause-Brewer: "Too Many Question Marks—The Outlook for Joint Ventures in the Soviet Union Is Being Overestimated"]

[Text] "Joint venture"—this arch-capitalistic concept for economic cooperation has apparently become a magic word in the Soviet Union. No German businessman—according to dealers with the East—can show up there without being put on the spot by his Russian counterparts by being asked about joint ventures.

From June of this year on, German businessmen will have a primer to point to, a sort of instruction manual for Western-Soviet joint ventures, which was worked out in Paris during 2 years of laborious, detailed work by a "task force commission" of the International Chamber of Commerce in cooperation with Russian experts. In the process, the Russians made a number of concessions. Thus the Council of Ministers resolved to ease obstructive regulations, in foreign exchange dealings, for example. Firms engaged in production in the Soviet Union may, to a certain extent, have foreign currencies at their disposal in order to pay for deliveries from the West or to transfer profits. But it will be some time, no doubt, before joint production of German-Soviet export commodities takes place. The "Salamander" [shoe] concern does, to be sure, plan to sell shoes manufactured in the Soviet Union in Western countries as well—but one swallow does not make a summer.

The East-committee of the German economy knows of only seven projects which deserve to be called true joint ventures, and the funds invested by the German side range between 1-10 million DM.

Between traditional orders and joint projects, there is definitely also room for other types of coproduction. But the Russian reports of success and the enthusiasm of the German media are, at the very least, premature. One must consider the proportions: during the past 15 years, there have been joint ventures with Hungary—a total of 65—22 of them with German firms. To date, these business transactions have brought an increase in Hungarian foreign trade of not even 1 percent. How long would it take, therefore, for the far more ponderous Soviet foreign trade to be able to register comparable successes?

And indeed, Kremlin-watchers having some grasp of economics think that party boss Gorbachev is less concerned with the economic results of his joint venture

campaign that with its political effect, in line with the motto: The more foreign countries become involved in the Soviet Union, the more support for his program of "perestroika."

But what is really going on with "perestroika" and its realization? At a symposium at the Martin-Schleyer-Foundation in Munich, attended by high-ranking scientists, much water is poured into the wine of all those persons in the West and in the East who praise Gorbachev's reforms. Gorbachev knows that the Soviet Union can manage to keep up with the economic development of the West only with a relentless restructuring of the prevailing economic system. If that fails, the Soviet Union would, in the foreseeable future, not only become an economic pygmy—it would also lose its military superiority. Reason enough to do everything possible to replace the old dictated economy with the "economy of the ruble": Without market-oriented economic elements, a modern, highly technological economy cannot function. The conclusion to be drawn from this: The economy must be decentralized, a pricing policy geared to the marketplace must be countenanced, the enterprises must have more freedom. They can only make use of this [freedom] if their managers are ambitious, industrious, imaginative and willing to take risks. These characteristics, however, were hopelessly neglected during the decades of planned economy. In addition—this too could be heard in Munich—the fear that Gorbachev might in the end fail, meaning that his adherents would be compromised, is having a crippling effect on the spirit of enterprise. For that reason, many Russian managers are literally fighting to get "safe" government contracts and are avoiding the entrepreneurial risk.

At best, therefore, the reforms being strived for are achievable in small steps. The day will come, however, according to the experts in Munich, when Gorbachev and his still small number of supporters will have arrived at the Rubicon of market economics. A decision would then have to be made whether to cross it—which would also entail a change in the political system—or whether the experiment is to be discontinued. Both are possible. It is understandable, under auspices such as these, that the desire of German entrepreneurs for joint ventures is restrained.

12689

Natural Gas Consumption on Rise for Home Heating Use

36200077 Frankfurt FRANKFURTER ALLGEMEINE
ZEITUNG in German 23 Mar 88 p 14

[Text] Duesseldorf, 22 March—The cold weather of the past several weeks will probably not make up completely for the drop in consumption that natural gas suffered in the German heating sector during the first two months of this year. The primary reason that the difference is so great is that especially low temperatures prevailed during the same period last year. Nevertheless, for the entire

year 1988, the gas industry is again counting on a perceptible increase in natural gas consumption in the private heating sector, caused, not by the weather and the favorable economic situation, but by new connections of heating systems to natural gas lines.

According to initial calculations of the Ruhrgas AG firm in Essen, the number of residences heated with natural gas in the FRG in 1987 rose by about 250,000 to 7.5 million; this is already 30 percent of the total number of residences in existence. It is assumed that this trend will continue, albeit at a much slower rate. The 3.4-percent rate of increase in 1987 was already lower than in previous years. In 1986, natural gas heating systems were selected for 55 percent of all newly constructed residences; Ruhrgas AG believes that this percentage figure was also achieved again in 1987. The gas industry believes that a growing share of connections to natural gas should result from building renovations. The sharp price decreases for natural gas, brought about as per agreement following the decline in the price of oil, helped contribute to the demand for natural gas connections. Ruhrgas AG notes that private natural gas consumers, thanks to the drop in natural gas prices, had thus far saved approximately 5.5 billion DM.

The natural gas consumption of 64.5 million tons of anthracite coal units in 1987 was 10.4 percent higher than in the preceding year. Since the primary energy consumption by the FRG remained practically unchanged at 386 million tons of anthracite coal units, the share taken by natural gas continued its rise to 16.7 percent. Private homes and commercial small-quantity consumers accounted for 45 percent of the natural gas consumption and again constituted the largest consumer group. Industry's share in 1987 dropped from 30 to 29 percent. Power plants used 12 percent of the natural gas to fuel their equipment; natural gas power plants go into operation only during peak demand periods. The sources supplying natural gas in 1987 were distributed as follows: 29 percent each from the Soviet Union and the Netherlands, 28 percent from the Federal Republic of Germany, 13 percent from Norway, and 1 percent from Denmark.

12689/9274

TURKEY

Foundation Proposes Gradual Program for EC Integration

35540124b Istanbul DUNYA in Turkish
1 Mar 88 pp 1, 10

[Text] The Economic Development Foundation [EDF] declared that the private sector unanimously supports Turkey's entry into the EC and proposed that Turkey's obligations for membership in the EC be incorporated in a 3 to 5-year program and fulfilled in stages.

A statement issued by the EDF says that EDF officials have watched with concern press reports that Turkey is preparing to fulfill its obligations to the EC. The statement says: "As the private sector, we believe that the purpose of the Ankara Treaty is to prepare Turkey for full membership in the EC and we oppose any actions which may detract from this goal. The association agreement envisions strengthening the Turkish economy and bringing it to a position which will enable it to withstand the economic pressures that it will confront when it joins the community with EC's assistance. To that end, the agreement removed all customs duties on Turkish industrial products in 1973 and provided for financial aid to the Turkish economy and the free circulation of Turkish workers in this context."

Noting that the EC began to exempt Turkish agricultural products from customs duties in 1987, the EDF statement says:

"Although the community provides economic aid of \$1.5 to \$3 billion to its new members, it has claimed financial problems to try to renege on its commitment to provide \$100 million in assistance as envisioned by the 4th Financial Protocol. Most importantly, the Association Council and the Joint Parliamentary Commission, which are the organs of our association agreement, remain inoperative. As a result, problems between us are not resolved through mutual talks between pertinent authorities."

Stating that the private sector supports economic liberalization and the fulfillment of obligations, the EDF statement says that customs tariffs must be reviewed systematically and that the EC must be notified after the major anomalies are corrected. The statement also proposes that the remainder of Turkey's obligations to the EC be incorporated in a 3 to 5-year program and fulfilled in stages.

9588

Iraq, Iran Rank Among Top Trading Partners in 1987

35540125a Istanbul DUNYA in Turkish
1 Mar 88 pp 1, 10

[Text] Ankara—Turkey's top trading partners in 1987 have been determined. The top five nations in exports account for 51.4 percent of Turkey's total exports, and the top five nations in imports account for 47.1 percent of Turkey's total imports.

The top five nations that bought Turkish exports [in 1987] are, in descending order, the FRG, Iraq, Italy, the United States and Britain. The top five nations from which Turkey imported in 1987 are, in descending order, the FRG, the United States, Iraq, Italy and Iran. Among these, the FRG, Iraq, Italy and the United States are Turkey's top trading partners in both exports and

imports even though they are ranked differently in the two categories. In contrast, Britain is in the top five only in exports while Iran is in the top five only in imports.

The FRG accounted for \$2,183.6 million, or 21.4 percent, of the total export volume of \$10.2 billion in 1987. The FRG was followed by Iraq with \$945.3 million, Italy with \$850.6 million, the United States with \$713.2 million and Britain with \$541.4 million. Turkey's 1987 exports to these top five nations totaled \$5.235 billion which constituted 51.4 percent of its total exports.

Turkey's imports from all countries totaled \$14.1 billion in 1987. The top five nations in imports accounted for \$6.653 billion or 47.1 percent of that total. The FRG took first rank with \$2,108.8 million or 14.9 percent of the total. It was followed by the United States with \$1,366.1 million, Iraq with \$1.154 billion, Italy with \$1,076.1 million and Iran with \$947.6 million.

In 1987, most of Turkey's trade was with EEC and OECD countries. Turkey's exports to the EEC in 1987 totaled \$4,867,730,000, and its imports from EEC nations tallied to \$5,666,327,000. The FRG, Turkey's top-ranked trading partner overall, also accounted for the largest share of trade with this group. Meanwhile, exports to OECD countries in 1987 rose by 50.1 percent over 1986 and reached \$6,443,812,000. Turkey's imports from OECD countries totaled \$9,032,037,000 in 1987. United States' share in Turkey's imports from OECD nations was 15.1 percent and that of Italy was 11.9 percent.

The increase in trade with Arab countries in 1987 stemmed primarily from trade with Iraq and Kuwait. Exports to Iraq, Turkey's top Arab trading partner, totaled \$945,262,000 while imports from that country tallied to \$1,154,030,000.

The Soviet Union took first rank in Turkey's trade with East European nations. Exports to the Soviet Union in 1987 were higher than in 1986 but imports dropped to \$306,981,000.

Exports to Islamic countries totaled \$2,971,548,000 in 1987. Of that, 31.8 percent went to Iraq and 14.8 percent went to Iran. Of a total of \$3,118,012,000 in imports from this group of nations, Iraq accounted for 37 percent and Iran for 30.4 percent.

Exports to North African countries declined compared to 1986 and fell to \$439,170,000, while imports rose by 20.8 percent. Imports from Algeria in 1987 rose by more than 300 percent over the previous year.

9588

Budget Said To Reflect Dangerous State of Economy

35540131a Istanbul *MILLIYET* in Turkish
5 Mar 88 p 9

[Column by Oztin Akguc: "1988 Budget"]

[Text] The 1988 budget submitted to the Turkish Grand National Assembly is a document clearly showing the kind of dead ends that lack of foresight and a save-the-day policy are leading to in public spending.

The 1988 budget has 20.840 trillion liras in initial appropriations, a 90 percent increase over the budget bill of a year ago. Since consolidated budget spending for 1987 has been estimated at 12.6 trillion liras, the 1988 budget is at least 65 percent larger than actual budget spending last year. Current spending accounts for 33.8 percent of budget appropriations, 16.6 percent for investment spending and 49.6 percent for transfers. The significant portion of transfers consists of interest on domestic and foreign loans. Envisaged interest payments are 52.7 percent of transfers and 26.1 percent of total appropriations.

Budget revenues have been estimated at 18.375 trillion liras. This estimate is 84 percent higher than the 1987 budget proposal and 81 percent higher than actual 1987 revenues. Estimates for the 1988 budget are 15.1 billion liras in tax revenues, 1.5 billion liras in regular non-tax revenues, 1.6 billion liras in special revenues and funds and 175 billion liras in joint budget revenues. This estimate is based on the assumption that there will be a 72-percent increase in 1988 tax revenues over the 1987 budget proposal and a 67-percent increase over actual 1987 tax revenues.

The official deficit of the 1988 budget is 2.465 trillion liras. Although this deficit is 168 percent higher than the budget proposal of a year ago, it equals the actual 1987 budget deficit.

The budget again envisages a borrowing figure of 6.325 trillion liras, consisting of 2 trillion liras in foreign loans and 4.325 trillion liras in domestic borrowing. Foreign loan payments will be made with 2.520 trillion liras of this, domestic loan payments with 1.340 trillion liras and the remaining 2.465 trillion-lira loan will be used to close the budget deficit. State loans will thus increase by at least 2.5 trillion liras in 1988.

Now that we have summarized the main figures of the 1988 budget, let us present for consideration a few paragraphs describing certain features of the budget.

—Budgets in Turkey have ceased to be an effective means of carrying out specific policies and have become an interest-payment and loan budget. The budget is a most compelling picture of the effects of policy mistakes of past years, tax advantages granted the high income groups, public spending for show and to win votes,

high-interest borrowing and the excessive increase that constant devaluation of the Turkish lira has created in the equivalent in domestic currency of foreign loans. Interest payments on foreign and domestic loans comprise more than one-fourth of budget appropriations, according to initial estimates. While the share of interest payments in budget spending was around 3 percent prior to 1980, it rose to 20 percent last year and at least 26 percent this year. This share is steadily growing. Interest that the state will pay this year is 25 percent higher than all wages and salaries it will pay to civil servants and 57 percent higher than investment spending. Looked at from another angle, projected interest payments are 800 billion liras higher than the total of national defense, national education and health spending. The state budget has suffocated under the burden of interest.

—The investment share in budget appropriations is gradually declining. Investment spending accounted for more than 20 percent of budget appropriations until a few years ago, but has fallen to 16.6 percent in the 1988 budget. The state is obligated to make important infrastructure and service investments and, regardless of what they are writing and showing on TV, it has reached the point where it cannot perform this basic function because resources are being set aside for interest payments.

—The 1988 budget deficit is officially 2.5 trillion liras. However, it is highly likely that revenues will be less than the estimates and that actual spending will be higher than the initial appropriations. The budget deficit can easily reach 6 trillion liras if budget discipline fails this year as it has in past years. If that happens, any chance of keeping inflation even in the 50 percent-60 percent range will disappear.

—The 1988 budget is understood to have been drawn up with an inflation projection of at least 50 percent, despite the announcement of the official inflation target of 33 percent. There is no other reason for it to be 65 percent higher than last year's budget, according to actual results.

However, if significant foreign loans cannot be procured and if oil prices do not go down, it would seem difficult even to hold inflation to 50 percent this year.

The 1988 budget reflects and demonstrates at once the dangerous situation into which the economy has fallen.

8349/9274

Special Funds Contribute Significantly to Budget
35540131b Istanbul DUNYA in Turkish
7 Mar 88 pp 1, 10

[Text] Ankara (DUNYA)—Nine funds attached to the Prime Ministry and the State Planning Organization [SPO] are expected to accumulate a total of 4.806 trillion liras this year. The Public Housing Fund has the largest

budget with 2.6 trillion liras and will borrow 824 billion liras at home and abroad. The target for credits issued by the Public Housing Fund this year is 642.5 billion liras.

Of the funds established by the first Ozal government and which appear on the Assembly's Planning and Budget Committee agenda because 30 percent of their revenues are transferred to the budget, nine alone are equal in size to one-fifth of the 1988 budget. The total number of funds is 141.

The projected amount that the nine funds will collect is 1 trillion liras higher than in 1987. The largest increase is expected in the State Partnership Fund. It accumulated 1.9 trillion liras last year and the target for this year is 2.6 trillion liras.

Domestic and foreign borrowing will provide 824.3 billion liras of State Partnership revenues. Income expected from the operation of infrastructure facilities is 662.9 billion liras and from the sale of stocks and bonds, 400 billion liras. Also, 80 billion liras will be transferred from the Liquid Fuel Consumption Fund to the State Partnership Fund.

Part of the fund's revenues, 1.379 trillion liras, will be used in repayments to be made for securities issues; 661 billion liras will be allocated to infrastructure financing, 10 billion liras to privatization and 2 billion liras to loan principal payments. Also, 58 billion liras will be allocated from the fund in investment and operations credit for priority development zones.

The Public Housing Fund target is to raise its budget from 509.9 billion liras to 708.4 billion liras. Expected revenues include 122.5 billion liras from tobacco and alcoholic beverages, 136.5 billion liras from liquid fuels and 161 billion liras from imports with waivers and monopoly imports. Another projected source is 31.5 billion liras from departure fees. The fund will also get 125 billion liras in credit repayments.

The fund will distribute 642.5 billion liras of its revenues as credit, of which 469 billion liras has been designated as cooperative housing credit and 75 billion liras as individual housing credit. Moreover, 99 billion liras will be allocated to public housing construction and infrastructure and 1 billion liras to lot procurement and preparation. A contribution of 32 billion liras will be made to other funds also.

The Social Mutual Assistance and Solidarity Encouragement Fund has set a goal to raise its revenues from 214 billion liras to 240.5 billion liras. Plans call for the fund to pay 22.3 billion liras to the general and joint budgets and to allocate 126.4 billion liras to its main activities, while 91.9 billion liras of fund resources will be transferred to the 1989 budget.

The Development and Support Fund plans to raise its heavily import-based revenues by 5 billion liras to 193.2 billion liras. It will distribute 112.5 billion liras of its revenues as credit to the agriculture and livestock sector, 22 billion liras to tourism and 17 billion liras to municipalities. The fund will also provide 2.5 billion liras in food aid.

The Promotion Fund, under the Prime Ministry, envisages raising its resources by 9 billion liras to 29.3 billion liras. The fund's revenues come from charges imposed on games of chance, and 16.2 billion liras will be transferred to promotion projects.

The Financing Fund, under the SPO, has target revenues of 55.5 billion liras. It collected 47.5 billion liras last year.

The Free Economic Zone Establishment and Development Fund will collect 1.5 billion liras less this year for 300 billion liras. The drop in revenues stems from fees collected on activity permits.

The Export Encouragement Fund is expected to increase by approximately 30 billion liras to 180.8 billion liras. The Environmental Pollution Prevention Fund will get a big increase, raising its 444 million lira budget to 5 billion liras this year. With this increase, the fund, enhanced by an expected 2 billion liras in fines, will give 1.6 billion liras in clean-up, improvement and expropriation credit.

The portion of revenues in excess of 4 trillion liras belonging to the nine funds under the Prime Ministry and the SPO, or 561.202 billion liras, was transferred from their 1987 budgets.

8349/9274

SPO Allocates 6 Billion TL to GAP
35540130d Istanbul DUNYA in Turkish
7 Mar 88 pp 1, 10

[Text] Ankara (DUNYA)—The State Planning Organization [SPO] has 34 billion liras in its 1988 budget, of which 11 billion liras will be used for the Southeast Anatolia Project [GAP], foreign projects, ISEDAK [ICO Standing Committee on Trade and Economic Cooperation] and the financing of consultant services for projects relating to the development of relations with the EEC.

The SPO budget was discussed and approved by the Assembly Planning and Budget Committee and envisages an increase from 25.7 billion liras to 34.4 billion liras. Of this amount, 8.7 billion liras will be allocated to current expenditures, 13 billion liras to investment expenditures and 12.3 billion liras to transfers. The highest increase is in current expenditures with 68.8 percent. A 38.5 percent increase is targeted in investments and 10.4 percent in transfers.

The 11-billion-lira appropriation, which comprises almost all of the SPO's investment spending, will be divided among 29 projects, some being used to finance consultant services, some of the projects in progress and some for projects to be started this year, with the largest share being used for GAP. The projected figure for GAP is 6 billion liras. Projects consist of the Master Plan, Agricultural Research and Planning, Deed Registration and Education, Regional Development, Urban Development and Silkworm Development.

The SPO plans to spend 2.737 billion liras for consultant services for foreign projects in addition to 1.8-billion-lira appropriation for ISEDAK meetings being planned within a project framework. Appropriations of 500 million liras are envisaged for the project on development and strengthening of relations with the EEC. An EEC glossary will be compiled under this project. EEC regulations will be translated into Turkish and adjustment research will be conducted in certain sectors.

The 29 projects that the SPO will conduct and that are planned to commence this year include the following:

Technical consultant bureaus abroad, wind energy research, chemical industry inventory, energy research in Turkey, State Economic Enterprises reform, rehabilitation of the paper sector, health sector master plan, EEC glossary, EEC regulations, Turkish-EEC agricultural bibliography, rehabilitation of the manufacturing industry, Turkey-EEC industrial sectors research, agriculture-based industry master plan, defense industry infrastructure research, establishment of high technology centers, and development of Turkish consultant and engineering services.

8349/9274

Metal Industry Shortages Attributed to Price Hikes

35540130c Istanbul DUNYA in Turkish 7 Mar 88 p 8

[Text] News Center—Prices on the metal market started a rising trend after the liquid fuel price hike. In the marketplace, where price increases in the metal industry reportedly originated in higher exchange rates and cost inputs, prices have risen in the past 2 months at average rates varying between 30 percent and 35 percent. Metal industrialists say that the breadth of the market and intensity of consumption make dependence on the outside inevitable in their branch of industry and that it is normal for price increases to occur steadily in a branch of industry dependent on the outside. Circles active in the metal industry point out that the highest price increases on the world exchanges and commodity indexes have occurred in this branch of industry, making investment in metals attractive on the world exchanges. Interested circles claim that a "bottleneck" occurred in the metal industry in mid-1987 and that the market has been severely squeezed by continuous price increases in early 1988. Metal industrialists say that price increases

have a negative effect on the industrialist, that the market was hit by a significant liquidity and financing squeeze by the end of 1987 and that this situation has not changed in the past 2 months.

They say that prices have risen significantly because local production in the metal industry is rather low and producers are operating at low capacity and that this originated in the excessive price increases on the "World Metal Exchange." Turkish metal men, who buy on the "London Metal Exchange" where prices of copper, brass and other metals have gone up between 35 percent and 40 percent since January 1988, point out that countries like China and Korea have become active on the market since the first of the year, causing higher than normal price increases. Metal industrialists, noting that copper has gone up 35 percent in the past 2 months, say that aluminum prices have risen in the 60 percent range and that this leaves buyers with limited financing in a difficult position.

Metal subsidiary industrialists that use copper, aluminum, brass and other metals in their products point out that price increases have a significant negative effect on them and that small and medium-sized firms that cannot find financing either reduce their production or halt activities. Concerned circles point out that large firms are experiencing the same troubles and that the government must provide the necessary support to save the metal sector from dependence on the outside.

Market circles point out that metal price hikes on the world exchanges are reflected in higher rates on the domestic market and attribute this to the sudden rises in foreign exchange rates. Industrialists say that the Turkish metal industry has experienced major shortages in the past 2 years and [words missing] comes first from higher foreign exchange rates and bank commission rates and, second, from excessive price increases on the world metal exchanges. Metal industrialists say that [words missing] would come into being with the switch to a fixed foreign exchange rate and to domestic production. They point out that the industry will suffer great difficulty this year if price hikes continue, there are increases in foreign exchange rates and bank commissions continue to affect the market.

Meanwhile, increases in metal prices continue at full speed.

While prices of iron-steel, copper, aluminum and brass are increasing at rates up to 40 percent on the domestic market, circles active in the market say that prices will continue to rise after the recent liquid fuels price hike. They add that the average annual price increase in 1987 was over 100 percent and they expect it to be over 100 percent again this year if the same climate prevails.

8349/9274

MP Deputy Opposes Price-Hike Policy
35540125c Istanbul GUNAYDIN in Turkish
4 Mar 88 p 7

[Report by Turkan Bugdayci]

[Text] Ankara—Orhan Erguder, Motherland Party [MP] deputy from Istanbul, said: "Always imposing price hikes always on one certain social segment and always taking from a certain segment is not right or fair."

Erguder stated that public revenue is totally dependent on taxation, that he does not consider receipts from tourism and workers abroad as revenue and that; however, the government is far from raising sufficient revenue. Charging that these burdens have always been imposed on a certain social segment in our country, Erguder said:

"What I am proposing is to increase the number of taxpayers in Turkey. The civil servants, the workers, and the industrialists are prepared to pay taxes. But what about the rest? You saw on television the man who produced \$10,000 from his pocket in a back alley. Why are people dealing in such assets not paying taxes to the government? We must institute a tough control system. It is not enough to go to a man's office. One has to watch a man's social life as well. The man lives well; he travels and entertains. But when you go to his office he shows a loss. An industrialist I talked to told me the same thing. You are collecting taxes from the civil servants and the workers—those are guaranteed. You are also collecting taxes from the industrialists. Then why are you not using the other sources? There are earnings over property and services. Where are they?"

Questions, Answers

Erguder later replied to GUNAYDIN's questions as follows:

[Question] In your speech before the Assembly's Planning and Budget Commission you drew attention to waste in government. Can you elaborate on that issue?

[Answer] The thing I hate most is waste. Despite the government's self-restraint, unfortunately enormous amounts of public money is spent on furnishings. Offices are remodeled. Cars are bought even for section chiefs. Vacation centers are built. There are four conference halls in Ankara. They are used only twice a year. We must invest sensibly. We must use the government's money like our own money.

[Question] Money is taken from workers and civil servants as taxes and in other forms. Is that money not wasted?

[Answer] Of course taxes are withheld from us. They are withheld from me as well because I am a parliamentary deputy. I do not think that these monies are spent properly. If they are spent properly and economic rules are obeyed then we will be very well off.

[Question] The government says that there is no money when it is asked to raise the wages of civil servants and other working people.

Taking From One Segment Not Right

[Answer] That is not true. There is money. Exporters and importers must be subject to tough tax controls. One only needs to look at some people's lifestyles at resort areas and casinos. One must go and ask those men for their tax schedules. They should be required to produce their tax schedules.

Always imposing price hikes on a certain social segment and always taking from a certain segment is not right or fair.

Consequently, every one who works must pay taxes. If one works one must pay taxes.

[Question] Price hikes are announced, and the profits of the state economic enterprises [SEEs] are steadily rising. Are all these price hikes necessary?

[Answer] They are doing that partially because privatization will begin soon.

[Question] Do you think it is right to impose such large price hikes on ordinary citizens to make the SEEs appear profitable before privatization?

[Answer] It is not right to impose price hikes and large burdens on citizens. But it is necessary to reform the SEEs.

The government must collect its taxes properly. I am willing to pay taxes if I am earning any money, but those who earn more must pay more taxes.

[Question] If taxes are collected fairly, the distribution of income would also be more equitable, would it not?

[Answer] Naturally. They should expose tax offenders publicly. Why are they not doing it? If one is evading taxes, he should be exposed in public so that he learns his lesson.

Erguder's Speech in Assembly

In his speech before the Assembly's Planning and Budget Commission, Orhan Erguder charged that in Turkey there are people who earn large sums of money but who do not pay a single penny in taxes. He said:

"You withhold taxes from my income. In Turkey there are approximately 2,000 large and small factories. What control mechanism is being implemented? Why are not those earning millions being pursued?"

'People Who Are Making Money'

"An entree in an Istanbul restaurant costs 25,000 Turkish lira. One bottle of whisky costs 150,000 Turkish lira. Such restaurants are filled to capacity. Shiny new cars are parked outside. That means that there are people who are making money in this country. How will they be found out? You are withholding taxes from the money that the government pays me. How will you catch them?"

"The man makes billions in Tahtakale, in the streets of Beyoglu and Kapalicarsi. Does he pay any taxes? The man lives in a villa in Suadiye, he drives American cars, but does he pay any taxes? Public exposition or prosecution or whatever is necessary must be done. I received a warrant of distraint because I had vouched for a former parliamentary deputy who borrowed 2.5 million Turkish lira from the Agricultural Bank. Let them find these tax evaders just as they found me. Hilmi Sonmez is having his home restored for 600 million Turkish lira. One would think I am a socialist. I am a liberalist [as published], and I like eating and drinking well."

Waste in Public Spending

"The foreign currency that comes into this country must not be wasted. But you must go and visit the offices of directors general. The offices of ministers look like secretaries' offices compared to theirs. Each one has a Mercedes parked at his door. They have private executive secretaries. They have spent millions of Turkish lira for office furnishings. That means that public money is being spent without the government's knowledge. Government property must be honestly protected. When such public waste is prevented you will see that inflation will also be cut. Undersecretaries and directors general are living too well. I sometimes ask myself why they would leave their positions and run for Assembly seats. The government's money must not be wasted by certain agencies."

9588

Investments With State Incentives Decline in 1987

*35540124c Istanbul DUNYA in Turkish
4 Mar 88 pp 1, 10*

[Text] Ankara—For the first time in the last 4 years, there has been a decline in investment projects supported by incentives from the State Planning Organization [SPO].

Investment projects supported by incentives totaled 6.8 trillion Turkish lira in 1987, which was 10.6 percent less than the 1986 total in real terms. This decline resulted in

decreases in certain other indicators. The average investment size, the investment required to create one job and the share of foreign resources in investments all declined to levels below those of 1984. In addition, over the last 4 years the share of operating capital in investments dropped from 6 percent to 3.4 percent.

In SPO's 1988 investment program, the total investment realization in 1987 appears as 13.9 trillion Turkish lira, which is 1.1 percent less than the comparable figure for the previous year. For 1988, the program envisions an increase of 1.1 percent in real terms.

Indicators associated with projects supported by the SPO's Incentives Implementation Chairmanship show that the investments have declined to levels below those of 1984.

The investment demand for 1987, computed as 6.8 trillion Turkish lira by the SPO's Incentives Implementation Chairmanship is 10.6 percent less than that of 1986 in 1984 prices. The decline was 13.3 percent in the manufacturing sector and 23.7 percent in the services sector.

Computed in constant 1984 prices, over the last 4 years, the average investment per project dropped to the 1984 level, the investment required to create one job declined from 18.8 million Turkish lira to 16.5 million Turkish lira, and the share of operating capital in total investments dropped from 6 percent to 3.4 percent. The utilization of foreign resources in investment similarly dropped to the level of 1984 over the same period of time.

Less Demand for Manufacturing Investment

During the tenure of the Ozal government, which has been in office since 1984, investments declined for the first time in 1987. This decline occurred primarily in public investments but was also observed in private investments, according to the investment incentive documents issued by the SPO Incentive Implementation Chairmanship. Moreover, investment indicators shrunk steadily.

The investments supported by incentives from the SPO totaled 6.8 trillion Turkish lira in 1987 which was 10.6 percent less than that of 1986 in real terms.

According to calculations that use the State Statistics Institute's wholesale price index as the price deflator and 1984 as the base year, investments which received SPO incentives and which reportedly had a high realization rate rose by 131.1 percent in 1985 and by 16.6 percent in 1986. They declined by 10.6 percent in 1987. The real decline in 1987 stemmed from the manufacturing and services sectors. The decline rates were 13.3 percent in manufacturing and 23.7 percent in services. In contrast, investment rose by 188.8 percent in agriculture, 13.6 percent in mining and 108.2 percent in the energy sector.

The total investment volume, which rose by 141 percent over the last 4 years, increased by 894 percent in the energy sector, 302.3 percent in the service sector, 183.4 percent in agriculture and 79.3 percent in manufacturing and declined by 6.2 percent in mining.

Over the same time period the distribution of investments with incentives among the various sectors also changed. The share of the manufacturing sector in investments with incentives declined from 50.5 percent in 1984 to 37.5 percent in 1987. In contrast, the share of the service sector in total investments with incentives rose from 35.8 percent in 1984 to 50.6 percent in 1986 and dropped to 43.2 percent in 1987.

9588

Reaction to First Privatization Sale

Privatization Head Reports Results

35540133 Istanbul DUNYA in Turkish 5 Mar 88 p 1

[Text] Ankara (DUNYA)—The vice chairman in charge of privatization within the Prime Ministry Department of Public Housing and State Partnership, Cengiz Israfil, revealed to DUNYA the information received on the last day of sales of TELETAS [Telecommunications Industry, Inc.] shares. Israfil stated that there had been 37,000 buyers of TELETAS stocks, and that an overwhelming majority of TELETAS employees bought shares.

Israfil revealed that most of the demand was for shares worth 100,000 liras, and that total sales came to 32.5 billion liras. Cengiz Israfil, who indicated that on the first 2 days demand was twice as great as supply, stated that the total demand for shares exceeded by 2.8 times the number of shares offered. Israfil, who noted that the demand for the stocks on sale abroad, valued at 1 billion liras, was as yet undetermined, said that almost the entire workforce of TELETAS, 2,284 people, bought shares.

Israfil explained that these people bought close to the 10 percent of shares that had been reserved for employees and gave the following interpretation:

"In my opinion, there are two important points here. One is that we encountered a response of 37,000 buyers. Another is that we were successful in selling our shares, despite the high interest rates, the withdrawal of currency from circulation by the Central Bank and the negative views of the press toward privatization. The information that we have received up to now demonstrates that the public approves our action. The success that we have achieved with TELETAS will influence in a positive manner the future success of privatization."

Israfil, indicating that the schedule for privatization released earlier in connection with TELETAS is currently in effect, stated the following:

"As regards due dates, we announced earlier that the shares would be turned over on 8 March and that payment in full was due 18 March. There is at the moment no change in these dates. Upcoming weather conditions, however, may alter these dates; for instance, the appearance of adverse winter weather conditions over a broad expanse of the country on the dates set for the distribution of the shares could produce a delay.

"Up to the present time, notification has been on time and we have not encountered any unanticipated problems. Any minor problems have been resolved. Under these circumstances, we expect to meet the issuance date indicated previously."

Commentary Scores Privatization Effort
35540133 *Istanbul GUNAYDIN in Turkish*
5 Mar 88 p 3

[Editorial by Rahmi Turan in "Thorns": "Wunderkinder With Dual Passports"]

[Text] On the one hand we have the state enterprise, TELETAS. On the other hand, we have Kastelli who once did time in prison.

The buildings Kastelli put up for sale at Topkapi sold like hotcakes. Keep in mind that no structure of any kind had yet seen the light of day. The apartments were going to be ready for occupancy in 2 years.

So? If that was the case, how come they sold so quickly? Because of the confidence people had in Kastelli.

In contrast, not much interest was expressed in TELETAS and its stocks did not spark much interest in the public. Why? Lack of trust.

We can conclude that the public possesses more confidence in fellow-citizen Kastelli than in Cengiz Israfil, a representative of the government.

Who is Cengiz Israfil?

He is a former employee of the Morgan Guaranty Trust Company, which prepared the advisory report for privatization of Turkey's State Economic Enterprises (SEE's). He is a person bearing dual passports whom the American bank sent to Turkey.

And this person has no experience in privatization. How can he possibly succeed at this task?

Ozal's wunderkind (!), Cengiz Israfil, messed up right away in his attempt to sell TELETAS to the public. Even though 1 billion liras were spent for ads on television and in newspapers, the anticipated interest in TELETAS stock did not materialize.

That's because the public did not have to get cheated in order to realize what was what.

It is a case of the proverbial novice blacksmith who learns his trade by shoeing the poor man's donkey. Cengiz Israfil, whom Ozal had recruited from the United States, tried to teach himself privatization at TELETAS. The results are disastrous!

Our people have a wonderful sixth sense. They understood right away, despite the attractive commercials, that TELETAS was not a very profitable venture.

Soon they are also going to put Sumer Bank up for sale. This means that they are going to destroy this 55-year-old national institution, too. General Director Erkan Tapan, who brought Sumer Bank to a level where it could compete with the private sector and made it profitable, with a good credit rating, resigned his position to protest Cengiz Israfil's privatization nonsense.

Erkan Tapan, in reference to Ozal's favorite, the dual-passport bearer, Cengiz Israfil, stated:

"Those who have the responsibility for privatization in Turkey carry two passports in their pockets. If they fail, they have a place to run to, I have none!"

He is quite right.

To put it in a nutshell, we have handed over the fate of Turkey to those who possess dual passports.

Cengiz Israfil produced a huge advertising campaign for television and newspapers, spending 1 billion liras. A person could have sold not only TELETAS, but even the paving stones on the street with such a costly campaign. Yet, the results were rather disappointing.

Now for the Kastelli side of the picture.

All by himself, the man turned out to be more successful than the whole Ozal team. It is obvious that the public (despite its bitter experience of some years back) trusted him more.

Let this be a lesson to those who spend their every waking moment figuring out ways to swindle the public, to grab the money out of people's hands and to slip the gold out from under their pillows.

Our people are not that dumb.

They are bombarding the press with their ad campaign, In flatterers' hands the fate of our people is contained, There is no need to deny it, no more hope remains, Their lies and deceptions bring to my belly nothing but pain!

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Business Association Opposes 'Compulsory Savings' Bill

35540124d Istanbul *TERCUMAN* in Turkish
1 Mar 88 p 5

[Text] The President of Turkish Industrialists' and Businessmen's Association [TUSIAD], Omer Dinckok, said that "the draft law on encouraging savings for working people cannot be viewed positively in the form it has been submitted to the Assembly." He added: "With this draft law the burden is put on the private sector and later, through price hikes, on the entire nation."

Stating that the nation cannot be forced to develop habits of frugality by legislation, Dinckok said that the public sector must first set an example in thriftiness and that it must initiate a campaign against waste. Stating that "thrift requires discipline first and habit afterwards," Dinckok said that education to instill thrift habits will produce a lasting solution.

Remarking that "if the goal is to eat grapes, the vine-dresser must not be beaten," Dinckok said: "The draft bill cannot be viewed positively in the form it has been submitted to the Assembly. This draft law places the burden on the private sector and, through price hikes, on the entire nation."

TUSIAD, which is known as the bosses' club, opposes the "draft law on encouraging savings for working people" which has been submitted to the Assembly in an effort to boost savings. According to TUSIAD, "the savings withholdings from working people's wages and the employer contributions the draft law encourages is a new tax-like obligation imposed on industrialists."

"Every additional burden that is imposed raises the industrialist's costs and leads to the continuation of cost inflation."

9588

Cement Industry Hurt by Imports From Iraq, Syria

35540124a Istanbul *DUNYA* in Turkish 1 Mar 88 p 2

["Through the Events" column by Tefvik Gungor: "Iraqi Cement"]

[Text] There was a time when we exported cement to Iraq and Iran. Now we import cement from Iraq and Syria. Iraqi and Syrian cement have begun to take over the markets of the "state-owned cement factories" in eastern and southeastern Anatolia.

State of Cement Industry

In 1987, 17,830,000 metric tons of clinker [vitreous raw material used to manufacture cement] were produced in the 40 state-owned and private cement factories in

Turkey. That was used to manufacture 21,980,000 metric tons of cement. Because this amount of cement could not meet the domestic demand, 407,000 metric tons of clinker and 1,630,000 metric tons of cement were imported from foreign countries.

'Fund Premiums'

The locations of Turkey's cement factories are incongruous with the regions where cement is consumed. For example, cement factories in Istanbul, Ankara, Izmir, and Konya are unable to meet the strong demand for cement in those regions. Meanwhile, the output of cement factories in eastern and southeastern Anatolia cannot be consumed in their regions.

According to a "master plan" prepared by the Turkish Cement Dealers' Association and approved by the Ministry of Industry and Trade, the clinker—and sometimes cement—output of factories which cannot sell their production in their own regions is transported to factories with adequate grinding and packaging capacities in high-demand regions. This ensures balanced distribution of the aggregate output in accordance with consumers' demands. The transportation of clinker and cement from one region to another imposes additional costs which are paid from a government fund.

This fund, controlled by the Ministry of Industry and Trade, is used not only to pay for transportation costs, but also for the development of some investment projects as well as for projects concerned with environmental protection.

The factories pay 2,750 Turkish lira as "premiums for this fund" on the sale of every metric ton of cement produced in Turkey's factories using either domestic resources or by grinding imported clinker.

Exemptions for Imported Cement

Meanwhile, no "fund premium" is collected on imported cement sold in Turkey. Moreover, imported cement is exempt from any taxes, fees, and customs duties as "required by the import regime."

Here it is useful to underline the "anomaly of the situation clearly." A state-owned or private cement factory has to pay a fund premium of 2,750 Turkish lira for every metric ton of cement it produces. If that factory imports the clinker from abroad, grinds and packages it and then sells it as cement, it still has to pay the fund premium. But if it imports the cement in its final form and sells it on the market it is exempt from paying the fund premium.

Iraqi and Syrian Cement

State-owned cement factories have begun importing cement from Iraq and Syria—primarily from Iraq—to the southeastern Anatolia region where cement production is much higher than consumption.

Spurred on by their need for foreign currency, these countries sell their cement for \$18 to \$19 a metric ton in exchange for “free foreign currency.” The trucks that transport Turkish export products to these countries carry cement back to Turkey at nominal rates (approximately 10,000 Turkish lira per metric ton) in order not to return empty. Because imported cement is exempt from any taxes, fees, customs duties and the fund premium, it can be sold for 38,000 Turkish lira per metric ton in the said region.

Cement Plants in East and Southeast

In eastern and southeastern Anatolia there are state-owned cement factories in Adiyaman, Urfa, Gaziantep, Iskenderum, Adana, Mardin and Elazig.

With the “2,750-lira fund premium” requirement, these factories sell the cement they produce at no less than 45,000 Turkish lira per metric ton.

The production capacity of Turkey’s cement factories is adequate for the country’s needs. Clinker can reportedly be imported from Iraq and Syria at \$14 per metric ton. Clinker can be processed into cement in Turkish factories with the addition of about 20 percent filler material. As a result, the Turkish economy benefits from the difference in the transportation and added value costs.

Cement Manufacturers’ Proposals

Cement manufacturers have developed two proposals [as published] to resolve this situation:

- 1) Importation of clinker must be encouraged. To that end, clinker imports must continue to be exempt from taxes, fees and customs duties as well as “fund premiums” as is the case today.
- 2) Cement imported by highway must be charged an import fee of \$10 per metric ton.
- 3) Imported cement sales must be subject to the same 2,750-lira fund premium that is applied to domestically produced cement sales.

Since the issue largely concerns the state-owned cement factories, one hopes that the pertinent agencies of the government are working on this matter.

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Minister Announces New Airport Plan for Samsun

35540125b Istanbul DUNYA in Turkish 1 Mar 88 p 12

[Text] Samsun—Minister of Transportation Ekrem Pakdemirli disclosed that a new airport will be built in Samsun.

During his tour of Samsun, Pakdemirli was briefed by Samsun Governor Erdogan Cebeci about the problems of the province. In a press conference afterwards, Pakdemirli said that beginning in July there will be regular air service to Samsun. Disclosing that a new airport will be built in Samsun, Pakdemirli said that feasibility studies are under way for this project.

Pakdemirli also said that work is continuing to begin ferry service between the Romanian port of Costanta and Samsun as soon as possible.

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