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# ***JPRS Report***

# **West Europe**

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# West Europe

JPRS-WER-88-019

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## BELGIUM

### Regional Government Heads On Power, Relationship

#### Wallonia's Socialist Coeme

36190005 Brussels LE SOIR in French 9 Feb 88 p 3

[Interview with Guy Coeme, president of the Walloon Executive, by Janine Claeys and Guy Depas]

[Text] "In reference to the Walloon region, the Socialists are very well aware of having been the victim of an usurpation of power which lasted 2 years. But that is not the problem: What we want is to turn over a new leaf." Asked about his state of mind as he becomes president of the Walloon Executive, Guy Coeme answered unequivocally: "It is time for action, not for revenge." What will change? A very clear policy reorientation in two directions, he said: an absolute priority for employment and a concrete desire to deepen regionalization. The line has been drawn. It corresponds to the agreement concluded by the PS, the PSC and the FDF [Democratic Front of Brussels French Speakers]. An agreement whose federal component seems all the more necessary to the new minister-president as the contradictions in which Belgium is getting bogged down at the national level cannot completely exclude a government crisis. A crisis, he specified, which the French-speaking Socialists do not wish but by which they do not want to be caught unprepared.

[Question] The PS has placed its best troops in the executives. Perhaps because it no longer believes in the formation of a national majority?

[Answer] This translates first of all into the desire to see the regional and community institutions alive and functioning. Do not forget that it is somewhat a question of our children: we were the spearhead for the demands which led to the laws of 1980. And today we are putting the whole package on the line, including the human level, so that all authority will be carried out well, that the laws will be interpreted broadly, and that preparations will be made for 1992.

[Question] With the mental reservation that, in case of necessity, some of them will be transferred to the national government?

[Answer] There was no specific calculation. Events will take control.

[Question] Would such transfers be good for democracy?

[Answer] There is nothing that says that such a scenario is being prepared. But if it were to happen, then strong men would in the meantime have worked for the regional executive.

[Question] You yourself...

[Answer] The presidency of the executive must be consistently ensured: in soccer this is also the fate of the team captain.

[Question] People were surprised that Andre Cools became regional minister rather than president of the Council.

[Answer] Those responsibilities fit him like a glove. And with his municipal orientation, he will have a hard road ahead to get the ideas passed which are dear to him: municipal funds, intermunicipal projects, subsidized works...

[Question] Concerning the intermunicipal projects...

[Answer] The political agreement provides for the development of a new project at the regional level. Not a rehashing of the Coeme decree which some people mistakenly tried to present as a nationalization. And this, in a strong position because of the opinion we will request from the "legislative" section of the Council of State on the extent of the authority of the region. All of this will be done without anyone losing face. I would stress that it is impossible for all the mixed intermunicipal projects to become pure ones.

[Question] Is the regional issue a socialist ram to force the national door?

[Answer] Management at the regional level will not be the ram, but rather the political agreement we have made specifically with the PSC because of its decision to abandon the three-party government and to favor the French-speaking alliance with the PS. The pressure on the CVP is there. For us, the only prospect lies in having a Christian Socialist democratic government. Yes, it will take time...

[Question] Are you not afraid of a government crisis?

[Answer] Yes. The Socialists have demonstrated that they are ready to take on their responsibilities: one Socialist was "informateur," another a negotiator. But we do not have to suffer the illness of the CVP. Let it heal itself! We are trying to avoid a government crisis. But if it were to happen, then responsibilities would have to be established: it was a bad policy to put things on hold. Besides, a government crisis would show how much it is time to redefine powers within the state. We are ready for that.

[Question] Is that why the PS has put its "big shots" in the executives?

[Answer] To the limit.

[Question] What image would you like to give of Wallonia?

[Answer] That of a consensus to be achieved through dialogue. That is the foundation for recovery. Next, it is necessary to help the small- and medium-sized enterprises meet the challenges of an expanded market. In short, to push the Walloons, and more specifically the youth associations to think together about the policy and its implementation. The basic idea is that of Mendes-France: "Politicians cannot ignore the fact that the projects they conceive today will apply to the young who will either have to suffer them or benefit from them."

[Question] How do you get the youth involved?

[Answer] We are going to carry out experiments, very quickly. For example, associate educational networks in order to define a policy concerning youth. I will propose that we begin with THE issue: employment. And at the university level, we are considering restarting the operation I led: "Your Job Tomorrow," by bringing together all the active forces (Walloon Union of Enterprises, Fabrimetal, etc.) so that the young people who graduate can get into training programs, etc. Independently of the action which must be led for all age brackets, and providing an enthusiastic vision of Wallonia, dynamic and rejuvenated. I would stress that the demographic problem is enormously important.

[Question] How do you stand with regard to Flanders?

[Answer] I share at least one of Leysen's ideas: the regional and European identity must be promoted. But I do not agree when he provides a double picture, a positive one for some, a negative one for others: lack of courage and misfortune in Wallonia as against a conquering and successful Flanders. That dichotomy does not correspond to reality. But I cannot base my policy on Flanders and the fantasies of some of its leaders...

[Question] What about the Generale in all of that?

[Answer] The fights of the sharks interest me because I am interested in the fate of the fish. All of this shows that enormous masses of money can be mobilized in the private sector. It is up to us to find a way to make them profitable through a policy both more daring and calling for objective and sound supervision.

[Question] You talked about helping the small- and medium-size enterprises...

[Answer] Our program includes a simplification of the administrative procedures imposed by the region. We will do it very quickly. On the other hand, as of next week I will be meeting with representatives of the "active forces." Everybody must clearly understand that the return of the socialists to the regional government will be translated into a policy of dialogue.

[Question] It is said that the "tax situation is easier" for small and medium size enterprises in Flanders...

[Answer] Even though the tax laws are the same for everybody, they are not necessarily implemented with equal force. Having administered a municipality at the language border, I know this from experience. I am going to request an urgent report from the regional Economic and Social Council on this subject: then, with documents in hand, we will be able to argue with the national government. That must change: greater flexibility must be introduced on the Walloon side.

[Question] But for all that, you need an administration that follows...

[Answer] The Walloon administration's weakness is the same as its strength: its youth. It was created only recently, and thus it must be organized. Through deccentralization we want to put it as close as possible to the citizens and to motivate our officials.

### Flanders' Christian Democrat Geens

36190005 Brussels LE SOIR in French 9 Feb 88 p 3

[Interview with Gaston Geens, president of the Flemish Executive, by Guy Duplat and Nathalie Mattheiem]

[Text] In Flanders, the Geens administration resembles the Geens team like a brother: same CVP-PVV coalition, same ministers except for a few rare exceptions, a program which is the continuation of the previous one. But at a time when the majority within the French speaking executives has changed and at a time when the central government is going through a lengthy crisis, Gaston Geens' opinion takes on a new significance. Is the time ripe for a new federal dynamic? Is a dialogue among the communities possible across the national barriers?

[Question] A right of center executive in Flanders and a left of center executive in the southern part of the country, what do you think about that asymmetry?

[Answer] That is a normal development in all federal states. However, it is true that in Belgium that asymmetry is not simple, because there is no strict demarcation yet between the powers of the national government, the regions and the communities. Nor is there enough "Bundestreue," federal loyalty. In order for the asymmetry to function decently, each party must respect the autonomy of the other and avoid any interference on the other's territory.

[Question] And yet it is known that the French Community wants to help the French speakers in Fourons and in the Brussels suburbs.

[Answer] That is forbidden by law. The proof for this is the Lepaffe decree which the Court of Arbitration annulled in its entirety. If the French speakers take that road, they will find us systematically in their way. We will appeal to the Court of Arbitration, the Council of State or the Dialogue Committee.

[Question] On the other hand, you agree with the French Community in your understanding of the extensive powers of the communities.

[Answer] The powers are clear, but not logical. There remains a significant gray area. But in order to clarify it and to settle its problems amiably you would need that federal loyalty I referred to.

[Question] Two years ago you demanded important additional powers. That demand resulted in the so-called Saint Catherine agreements.

[Answer] That agreement did not yield as much as I had hoped. Specifically, its major fault, its beauty mark is its financial arrangement. We were forced to accept the Moureaux key. That is to say that regionalized matters are financed on the basis of expenditures and not on the basis of tax returns.

[Question] But in view of the void of the central government, do you not expect an increase in your powers?

[Answer] I regret that the crisis is a lengthy one; that is not good for the country. And as long as it continues, many things will be frozen. We will not even be able to convene the Dialogue Committee for lack of national opponents. It will not be possible to go further in granting new powers to the regions and the communities, nor will it be possible to implement the state reform. But in the meantime, as is clear from our statement of the Executive, we will stay strictly within our current powers.

[Question] Do you think that a new dynamic could be born between the communities?

[Answer] I am always ready for a dialogue. But if the Walloon side orients itself toward permanent confrontation or comes back with texts such as the Lepaffe decree, then that will be the end of it quickly. I will soon see whether a dialogue is possible within the Dialogue Committee.

[Question] Do you think that a dialogue might be possible outside the Dialogue Committee?

[Answer] No. We are not a pressure group.

[Question] Might there be good cooperation between the two communities concerning the Brussels problem?

[Answer] Cooperation may be achieved within the Brussels Agglomeration in the capital of Flanders, of Belgium, and of Europe.

[Question] You have said that the Walloon Region was sick of socialism. What do you think then of the arrival of Messrs Coeme and Moureaux at the head of the executives?

[Answer] There is nothing for me to think. I am not going to tell the Walloons and the French speakers whom they should vote for. I do not know what policy they will conduct.

[Question] Could your Flemish Executive be broadened to include the SP as is their demand?

[Answer] ...No comment (is what Gaston Geens ended up saying after having wanted to withdraw behind a vague gesture).

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## FINLAND

### Opinion Poll Shows Increased Support for Center, SKDL

36500078 Helsinki HUFVUDSTADSBLADET in Swedish 6 Mar 88 p 10

[Text] The two largest opposition parties, the Center Party and the SKDL [Finnish People's Democratic League], have each increased their support most since the parliamentary elections a year ago. The popularity of the Greens has also increased. This is shown by an opinion poll carried out by Finska Gallup as commissioned by ILTA-SANOMAT. The poll was conducted in February, immediately following the presidential election.

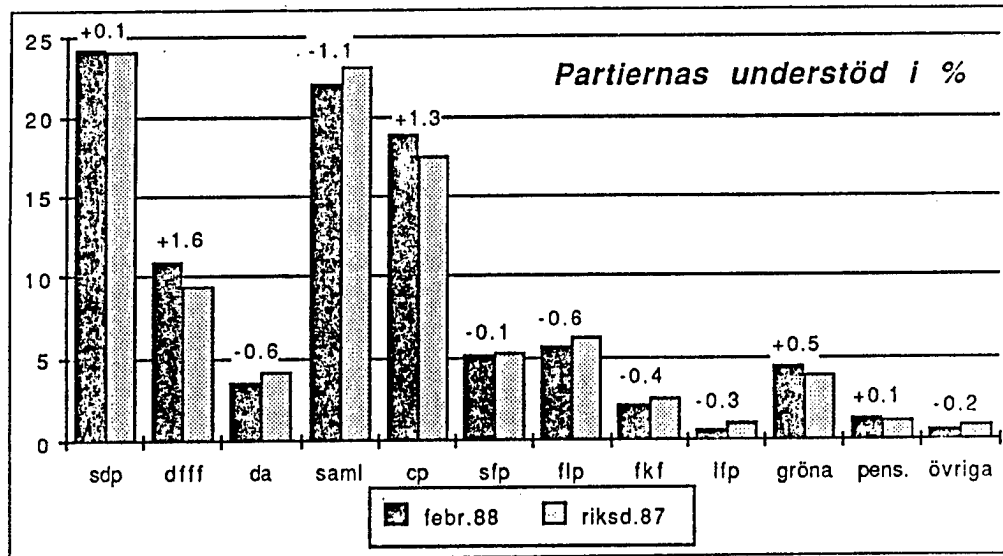
The SKDL has gained most. The new poll gives them a support of 11.0 percent, or 1.6 percentage points more than in the parliamentary elections. Support for the Democratic Alternative, on the other hand, dropped by 0.6 percentage points, to 3.6.

The Center Party has made the strongest advance. Among those polled, many who earlier voted for the Conservative Party now report that they support the Center Party.

The largest drop occurred with the Conservative Party. If the parliamentary elections had been held last month, it would have gained the vote of 22.0 percent of the electorate. This is 1.1 percent less than in the election of a year ago.

Of the other government parties, the Social Democrats and the Swedish People's Party register support which was virtually unchanged. The Social Democratic Party is given support by 24.2, compared with 24.1 in the parliamentary elections. The figure for the Swedish People's Party is 5.2, compared with 5.3 in the elections.

The fourth party bearing government responsibility, the Rural Party, has, on the other hand, lost ground, by 0.6 percentage points, to a figure of 5.7. This means that support for the governing parties has dropped by 1.8 percentage points.



Support for the Center Party and the Greens has increased most since the presidential election, while that for the Conservative Party has dropped, according to a poll conducted by Finska Gallup for the newspaper ILTA-SANOMAT.

sdp = Social Democratic Party  
dfff= People's Democratic League  
da = Democratic Alternative  
saml= Conservative (Coalition) Party  
cp = Center Party  
sfp = Swedish People's Party  
flp = Rural Party  
fkf = Conservative Party  
lfp = Liberal Party  
pens. + Pensioner's Party  
Ovriga= others

The new opinion poll gives the Greens a support of 4.5 percent, 0.5 percent more than in the parliamentary elections.

The survey is based on interviews carried out with a little over 1,300 persons over the period 3-22 February.

/09599

**GREECE**

**Attiki Poll Shows Majority Preference for ND**  
35210072 Athens PONDIKI in Greek 26 Feb 88 pp 6-7

[Text] Today we are publishing a very recent poll conducted by the DIMEL [Polls-Studies] firm that has to do with (1) the preferences of voters in the Attiki panhandle region in case elections were held shortly and (2) opinions of the same voters on the Andreas Papandreou-Ozal talks in Davos and also on the well-known statements by Mitsotakis in London.

We did not order the poll, that is, it was not conducted for us and consequently we did not check on (objectively) either the way it was conducted or how the results were processed. We publish the poll for the following main reasons:

1. Because it was conducted after the Davos talks and the Mitsotakis statement—it consequently shows the tendencies of voters at this time.

2. It is presented in conjunction with the results of a survey conducted by the very same firm last November and that constitutes a trustworthy measure of comparison with the changes that may have taken place in the minds of the electorate. In other words, one may make comparisons between the two since both were conducted in the same manner, the same processing method and by the same personnel.

What overall general conclusion comes out on the subject of elections? That time is working for PASOK and today we have to do with two equally powerful parties, at least in the Attiki panhandle.

The events that have transpired from November 1987 until now have had such an effect as to have a difference of four percentage points in favor of the "blues" decreased and to show a difference of only 0.7 percent—still in favor of ND. (This difference, however, is not debatable because the margin of error is plus or minus 1 percent).

This conclusion comes from the data shown in the last column of Tables 1 and 2. The shifts of voters are so small that they lead to the conclusion that the majority of

the undecided will once again shift to the party they voted for in the 1985 elections—an hypothesis, that is, on the basis of which the last column of Table 1 and also of Table 2 was made.

And yet, even if we do not include the undecided, a comparison of the two tables shows that the gap between the two parties is narrowing. In more analytical terms, according to the statistics in the tables, we find the following:

1. ND wins a small segment of PASOK voters, i.e., about 5 percent (actually 4.92 percent as seen in Table 3).

2. PASOK loses both to the Right and Left, but with small percentages (4.92 percent to ND and 5.7 percent to the KKE).

3. A very large percentage of undecided voters is to be found in the PASOK camp. A 29.5 percent of undecided tells it that it has still not made a decision or that it will not vote for any party or that it will not vote at all. Only 56.74 percent of PASOK's voters will once again vote "green," while there is a greater stability in ND and the KKE (88.78 percent and 88.44 percent respectively of their voters will once again vote for the same party).

4. The KKE shows an increase, compared to 1985, of 2 percent and this is explained by the fact that a segment of PASOK says that it will now vote for the KKE. However, it shows a decrease, in relation to November 1987, of around 2.5 percent—in other words, it approaches the real percentage that it obtained in 1981 in the panhandle, i.e., around 16 percent. It is, at any rate, higher than the percentage of the last election.

5. Between the EAR [Greek Left] and the KKE (Int.) it now seems as if the battle has not been declared, while in November things were clear cut in favor of EAR. At any rate, great caution is needed here because the sample for these parties is small and it is not easy for differences to appear.

The following is evident as far as stability in social groups is concerned (see Table 4):

1. PASOK suffers in the young age bracket, while, on the other hand, the KKE has a problem when it comes to the over 55 age bracket. The "greens" also have a problem with AEI [Advanced Educational Institutes] and TEI [Technological Training Institutes] graduates.

2. ND has its biggest difficulty in the 30's age group.

The sample, however, for these subgroups is small and has to be looked at with reservations.

Besides the electoral issue there are also two others that we must look at separately.

### The Davos Meeting

How did the citizens of Athens and Piraeus view the meeting between Andreas and Ozal in Davos (see Table 5)?

A general observation: let's wait and see!

Thus, one might characterize the result of the poll in relation to Davos: half of those questioned disagree that Davos was a Greek victory but, at the same time, they also disagree that Turkey came out the winner!

However, there is also something impressive that creates questions: about the same percentage that agrees (44.15 percent) that Turkey should join the EEC also has just the opposite opinion, namely that Turkey should not join the EEC! The question, however, becomes all the more striking if more were to see that ND and PASOK views converge on the same view, namely that Turkey should join the EEC! (52.45 percent of ND and 47.67 percent of PASOK).

Also in agreement are the KKE and EAR together with the KKE (Int.) followers (72.25 percent and 73.17 percent respectively) who are altogether against Turkey's joining the EEC.

So, it is a matter of let's wait and see and a division on critical questions but we should be rather cautious since both the questions themselves and the way they are put influence the answers.

### Mitsotakis Statement

How did the citizens of Athens and Piraeus view the well-known statements made by Mitsotakis in London concerning the former royalty, the 1974 referendum, etc. (see Table 6)?

And here, too, we have some—to a certain extent—surprises:

1. One in four ND members "spit" on Mitsotakis and feel that his move from the position of ND party leader would be a positive step for Greece. There is, however, a follow-up to this: half of those spit on him altogether since they consider him unreliable and irresponsible.

2. A little more than half of the Greek people still consider him unreliable and irresponsible. Moral lesson: some 250,000 ND voters do not want him, meaning 4 percent of the electorate.

If one were to think that this is the difference on which the electoral battle will be waged, then the conclusion is even more important. Also important is the fact that 9.8 percent of ND followers consider Andreas as the most responsible and capable leader!



All of this, however, does not mean that the majority agrees with the dimensions the issue has taken (second question).

This is what we have to say. The tables (and statistics) are at your disposal for further processing. (What else, in other words, would you do on the weekend if the weather—oh, let it not be, as the oldtimers used to say—is bad? Would you look at television?)

#### **DIMEL [Polls-Studies]**

The background to the poll, as presented by DIMEL, is as follows:

1. The poll was conducted between 11 and 13 February. It took place after the important events one of which was the meeting between Greek Prime Minister Papandreou and Turkish Prime Minister Ozal in Davos, the other being the well-known statements made by Mitsotakis in London.

2. DIMEL addressed itself to 1,200 households in the Attiki panhandle selected according to the "quota" method and with 150 points of departure. The interviews were made with voters (18 years of age and above) of Athens and Piraeus (First and Second Districts). The interviews were conducted in private and exclusively inside homes.

3. Sample-taking ratio is 1 to 1,250 voters, a fact that gives a particularly high credibility to the poll which is reinforced by the fact that the social-demographic characteristics of the poll approach to a large extent the corresponding characteristics of the population (the differences are statistically insignificant).

4. Of particular interest is the comparison of statistics of this poll with a similar one conducted by DIMEL from 13 to 26 November 1987.

In DIMEL's opinion, "the most important conclusion that emerges is that in the 3 months that have elapsed, Andreas Papandreou succeeded in cutting and limiting the number of departures from the government party to the Left and in acquiring the support of a large segment of the 19895 voters. At the same time, ND's benefits from damage done to the government party remain small."

#### **Analysis of Table 1**

Table 1 is essentially the result of the poll and shows what the voters of Districts A and B of Athens and Piraeus vote for.

The first column shows the real percentages of the parties in the 1985 elections in the Attiki panhandle.

The second column shows the present intentions of the voters. In other words, percentages are shown according to the answers given by those questioned.

In the third column the undecided voters (15.76 percent of the second column) have been divided into the various parties in accordance with the preferences of those who answered. For example, if there are 100 undecided voters, 26 (or 25.8 to be mathematically accurate) are added to PASOK's current voters, 35 of them are added to ND, 15 to the KKE, 2 to the EAR and 1 to the KKE (Int.).

In the fourth column the undecided voters have been divided into their own parties, that is in the one they voted for in the 1985 elections, even though they are undecided today.

#### **Analysis of Table 2**

Table 2 is the same as Table 1, the only difference being that it contains the results of the survey conducted in November and is used for comparison purposes.

#### **Analysis of Table 3**

Table 3 is, in essence, an analysis of the second column in Table 1. Here, the results and answers to a basic question are presented in greater detail. The question: "What would you vote for if parliamentary elections were held tomorrow under the prevailing electoral system?"

#### **Analysis of Table 4**

Table 4 refers to the voters themselves according to sex, profession, income, age bracket and educational level, taking as a factor only those constant party voters, in other words those who declared that they would today vote for the party they voted for in 1985. We thus see what percentage from every category will vote for the same party.

#### **Analysis of Table 5**

Table 5 shows how the citizens of Athens and Piraeus viewed the Davos meeting through four questions put to them.

#### **Analysis of Table 6**

Table 6 shows the opinion of the same persons questioned with regard to Mitsotakis' statements in London (and also about him) through five questions put to them.

TABLE 1

(1)	(2)	(3)	(4)	
ΠΙΝΑΚΑΣ 1	1985	ΦΕΒΡΑΡΙΟΣ 1988	ΜΕ ΚΑΤΑΝΟΜΗ ΑΝΑΠΟΦΑΣΙΣΤΩΝ	ΑΝΑΠΟΦΑΣΙΣΤΟΙ ΣΤΟ ΚΟΜΜΑ ΤΟΥΣ
ΠΑΣΟΚ (5)	44.34	25.58	36.85	39.26
ΝΔ (6)	38.32	35.14	40.98	40.02
ΚΚΕ (7)	13.70	14.73	17.07	15.92
ΚΚΕσ. (8)	3.64	—	—	—
ΕΑΡ (9)	—	1.75	2.63	2.51
ΚΚΕσ. Α-Α (10)	—	1.20	1.93	1.88
ΔΙΑΝΑ (11)	—	0.30	0.39	0.30
ΑΛΛΑ ΚΟΜΜΑΤΑ (12)	—	0.11	0.17	0.11
ΚΑΝΕΝΑ ΚΟΜΜΑ (13)	—	3.46	—	—
ΑΝΑΠΟΦΑΣΙΣΤΟΙ ΔΕΝ ΑΠΑΝΤΗΣΑΝ (15)	—	15.76	—	—
		1.91	—	—

Key:

1. Table 1. 2. February 1988. 3. With division of undecided voters.
4. Undecided voters in their party. 5. PASOK. 6. ND. 7. KKE.
8. KKE (Int.). 9. EAR. 10. KKE (Int.) A-A /Renovating Left/.
11. DIANA /Democratic Renewal/.
12. Other parties. 13. No party.
14. Undecided. 15. Did not answer.

TABLE 2

(1)	(2)	(3)	(4)	
ΠΙΝΑΚΑΣ 2	1985	ΝΟΕΜΒΡΙΟΣ 1987	ΜΕ ΚΑΤΑΝΟΜΗ ΑΝΑΠΟΦΑΣΙΣΤΩΝ	ΑΝΑΠΟΦΑΣΙΣΤΟΙ ΣΤΟ ΚΟΜΜΑ ΤΟΥΣ
ΠΑΣΟΚ (5)	44.34	22.02	30.14	34.42
ΝΔ (6)	38.32	34.07	38.42	38.58
ΚΚΕ (7)	13.70	17.19	20.22	18.27
ΚΚΕσ. (8)	3.64	—	—	—
ΕΑΡ (9)	—	3.40	4.90	4.40
ΚΚΕσ. Α-Α (10)	—	0.40	0.61	0.63
ΔΙΑΝΑ (11)	—	1.99	2.48	1.99
ΑΛΛΑ ΚΟΜΜΑΤΑ (12)	—	1.71	2.23	1.71
ΚΑΝΕΝΑ ΚΟΜΜΑ (13)	—	6.20	—	—
ΑΝΑΠΟΦΑΣΙΣΤΟΙ ΔΕΝ ΑΠΑΝΤΗΣΑΝ (15)	—	12.24	—	—
		0.72	—	—

Key:

1. Table 2. 2. November 1987. 3. With division of undecided voters.
4. Undecided voters in their party. 5. PASOK. 6. ND. 7. KKE.
8. KKE (Int.). 9. EAR. 10. KKE (Int.) A-A. 11. DIANA. 12. Other parties. 13. No party. 14. Undecided. 15. Did not answer.

TABLE 3

(1)	(2)	(3)	(4)	(5)	(6)
<b>ΠΙΝΑΚΑΣ 3</b>	<b>ΣΥΝΟΛΟ</b>	<b>ΠΑΣΟΚ '85</b>	<b>ΝΔ '85</b>	<b>ΚΚΕ '85</b>	<b>ΚΚΕσσ. '85</b>
Δεν απαντώ (7)	1.02	1.30	0.98	0.58	0.00
ΠΑΣΟΚ (8)	25.58	56.74	0.49	1.73	0.00
Ν.Δ. (9)	35.14	4.92	85.78	0.00	2.44
ΚΚΕ (10)	14.73	5.70	0.00	88.44	2.44
ΕΛΛΗΝΙΚΗ ΑΡΙΣΤΕΡΑ (11)	1.75	0.78	0.49	1.16	29.27
ΚΚΕσσ. Α-Α (12)	1.20	0.52	0.00	0.00	26.83
ΔΙΑΝΑ (13)	0.30	0.26	0.49	0.00	0.00
ΕΠΕΝ (14)	0.00	0.00	0.00	0.00	0.00
ΑΛΛΟ ΚΟΜΜΑ (15)	0.11	0.26	0.00	0.00	0.00
ΚΑΝΕΝΑ (16)	3.46	3.37	2.94	2.31	14.63
Δεν έχω αποφασίσει (17)	15.76	25.13	8.33	4.62	21.95
Δεν θα ψηφίσω (18)	0.89	1.04	0.49	1.16	2.44

Key:

1. Table 3. 2. Total. 3. PASOK. 4. ND. 5. ΚΚΕ. 6. ΚΚΕ (Int.).
7. I do not answer. 8. PASOK. 9. ND. 10. ΚΚΕ. 11. Greek Left.
12. ΚΚΕ (Int.) A-A. 13. DIANA. 14. EPEN /National Political Union/.
15. Other party. 16. None. 17. I have not decided. 18. I will not vote.

TABLE 4

(1)	(2)	(3)	(4)
<b>ΠΙΝΑΚΑΣ 4</b>	<b>ΠΑΣΟΚ</b>	<b>Ν.Δ.</b>	<b>ΚΚΕ</b>
Σύνολο (Αθήνα - Πειραιά) (5)	56.74	85.78	88.44
Άνδρες (6)	58.55	84.62	86.84
Γυναίκες (7)	54.92	87.00	89.69
Ελεύθεροι επαγγελματίες (8)	60.00	93.02	86.21
Εργάτες και υπάλληλοι (9)	56.78	78.72	89.86
Νοικοκυρές (10)	57.85	85.94	89.47
18-29 ετών (11)	44.44	84.21	88.33
30-39 ετών (12)	52.68	75.00	88.73
40-54 ετών (13)	63.21	90.67	95.45
55 και άνω ετών (14)	64.21	88.24	78.95
Μέχρι 70.000 δραχ. (15)	46.09	78.57	93.33
70.001 - 100.000 δραχ. (16)	68.61	90.48	88.46
Πάνω από 100.000 δραχ. (17)	53.12	86.67	85.11
Δημοτικό (18)	62.31	87.18	95.83
Μέση εκπαίδευση (19)	58.16	86.09	86.30
ΑΕΙ και ΤΕΙ (20)	40.68	83.33	83.67

Key:

1. Table 4. 2. PASOK. 3. ND. 4. ΚΚΕ. 5. Total (Athens-Piraeus).
6. Men. 7. Women. 8. Liberal professions. 9. Blue and white collar workers. 10. Housewives. 11. 18-29 years of age. 12. 30-39 years of age. 13. 40-54 years of age. 14. 55 years of age and above.
15. Up to 70,000 drachmas. 16. Between 70,001 and 100,000 drachmas. 17. Over 100,000 drachmas. 18. Elementary school. 19. Secondary school. 20. AEI /Advanced Educational Institutes/ and TEI /Technological Training Institutes/.

TABLE 5

(1)	(2)	(3)	(4)	(5)	(6)	
<b>ΠΙΝΑΚΑΣ</b>	<b>ΣΥΝΟΛΟ</b>	<b>ΠΑΣΟΚ '85</b>	<b>Ν.Δ. '85</b>	<b>ΚΚΕ '85</b>	<b>ΕΣ. '85</b>	
Ήταν μια σημαντική νίκη της πολιτικής του κ. Παπανδρέου. (7)	Δ.Ξ./Δ.Α. (11) ΣΥΜΦΩΝΩ (12) ΔΙΑΦΩΝΩ (13)	9.91 37.91 52.17	9.59 68.13 22.28	10.29 10.78 78.92	8.67 20.23 71.10	14.63 21.95 63.41
Κερδισμένη είναι η Τουρκία και δεν υπάρχει λόγος να πανηγυρίζει η ελληνική κυβέρνηση. (8)	Δ.Ξ./Δ.Α. (11) ΣΥΜΦΩΝΩ (12) ΔΙΑΦΩΝΩ (13)	21.88 30.59 47.51	21.24 10.62 68.13	22.55 54.90 22.55	20.91 28.90 50.29	26.83 24.39 48.78
Ο διάλογος πρέπει να συνεχιστεί χωρίς την κηδεμονία του ΝΑΤΟ και των Αμερικάνων. (9)	Δ.Ξ./Δ.Α. (11) ΣΥΜΦΩΝΩ (12) ΔΙΑΦΩΝΩ (13)	10.38 75.86 13.74	6.99 86.53 6.48	16.67 57.35 25.98	4.62 91.91 3.47	7.32 80.49 12.20
Η Ελλάδα πρέπει να υποστηρίξει την ένταξη της Τουρκίας στην ΕΟΚ αρκεί να λυθεί το θέμα των ελληνικών περιουσιών στην Κωνσταντινούπολη. (10)	Δ.Ξ./Δ.Α. (11) ΣΥΜΦΩΝΩ (12) ΔΙΑΦΩΝΩ (13)	13.58 44.15 42.28	15.80 47.67 36.53	12.25 52.45 35.29	10.98 16.76 72.25	9.76 17.07 73.17

Key:

1. Table 5. 2. Total. 3. PASOK. 4. ND. 5. KKE. 6. ES Greek Rally.
7. It was an important victory for Mr Papandreou's policy.
8. Turkey came out the winner and there is no reason for the Greek Government to celebrate. 9. The dialogue should continue without the tutelage of NATO and the Americans. 10. Greece must support Turkey's entry into the EEC so long as the issue of Greek property in Constantinople is resolved. 11. I do not know; I do not answer. 12. I agree. 13. I disagree.

TABLE 6

(1)	(2)	(3)	(4)	(5)	(6)	
<b>ΠΙΝΑΚΑΣ 6</b>		<b>ΣΥΝΟΛΟ</b>	<b>ΠΑΣΟΚ '85</b>	<b>ΝΔ '85</b>	<b>ΚΚΕ '85</b>	<b>ΕΣ '85</b>
Ο κ. Μητσοτάκης είναι αναξιόπιστος και ανεύθυνος για πολιτικός ηγέτης. (7)	Δ.Ξ./Δ.Α. (12) ΝΑΙ (13) ΟΧΙ (14)	8.83 50.34 40.81	10.88 74.61 14.51	7.35 11.27 81.37	8.09 76.30 15.61	2.44 68.29 29.27
Η κυβέρνηση ανεύθυνα έδωσε πολύ μεγαλύτερες διαστάσεις στο θέμα για να αποπροσανατολίσει το λαό από τα πραγματικά προβλήματα. (8)	Δ.Ξ./Δ.Α. (12) ΝΑΙ (13) ΟΧΙ (14)	10.81 63.58 25.60	13.99 36.79 49.22	8.82 87.25 3.92	6.36 80.92 12.72	9.76 75.61 14.63
Προετοιμάζεται η μελλοντική επάνοδος του βασιλιά. (9)	Δ.Ξ./Δ.Α. (12) ΝΑΙ (13) ΟΧΙ (14)	7.65 6.67 85.67	8.03 8.22 85.75	7.35 8.33 84.31	8.67 4.62 86.71	2.44 2.44 95.12
Είναι θετική για τη χώρα η αλλαγή αρχηγού στη ΝΔ (10)	Δ.Ξ./Δ.Α. (12) ΝΑΙ (13) ΟΧΙ (14)	18.91 45.97 35.11	18.13 63.73 18.13	13.24 25.98 60.78	35.84 40.46 23.70	24.39 60.98 14.63
Ο κ. Παπανδρέου παρά τα λάθη του είναι ο πιο υπεύθυνος και ικανός ηγέτης. (11)	Δ.Ξ./Δ.Α. (12) ΝΑΙ (13) ΟΧΙ (14)	8.74 40.84 50.40	9.59 75.91 14.51	7.84 9.80 82.35	6.36 17.92 75.72	17.07 26.83 56.10

Key:

1. Table 6. 2. Total. 3. PASOK. 4. ND. 5. KKE. 6. ES /Greek Rally/.  
7. Mr Mitsotakis is untrustworthy and irresponsible for a political leader. 8. The government irresponsibly gave much greater proportions to this issue in order to turn the people's attention from the real problems. 9. The future return of the monarchy is being prepared. 10. The change of the ND leader will be a positive step for the country. 11. Despite his mistakes, Mr Papandreu is the most responsible and capable leader. 12. I do not know; I do not answer. 13. Yes. 14. No.

## NORWAY

### Conservative Party's New Leadership Assessed

#### Indicates Renewed Party Confidence

36390040 Oslo AFTENPOSTEN in Norwegian  
25 Jan 88 p 45

[Commentary by Kjell Hanssen: "New Page in Conservative Party's History"]

[Text] First, parliamentary leader Jan P. Syse was elected chairman to thunderous cheers. Then Wenche Frogg Sellaeg was accepted unanimously and with warm applause. After that, Arne Rettedal's candidate, Kari Thu, was passed over for Petter Thomassen. Inner solidarity reigned in the assembly; the Conservative Party's national convention was tired of unrest in the ranks.

Trained observers could have told you that weeks ago, and some did. No one can repeatedly inform a party that it stands on the brink of civil war without the party's making sure that peace prevails. The Conservative Party has not really been itself for some time, but at least it has not become some sort of Liberal Party.

The national convention would have greatly preferred to elect Kaci Kullmann Five. But that train had departed, and no one saw any purpose in standing on the platform and whistling for it to come back. All the more so since Mrs. Five is one of the party leaders and will continue to be. Being second-in-command of the Conservative Party's Storting group is considerably more important than being second-in-command of the Conservative Party's party organization.

#### Obstinate Enthusiast

But it was Syse's convention. His onward march through the Conservative Party has always been full of belligerent resistance (from himself) first and profuse enthusiasm afterwards. The party knows this and therefore ignores his objections. The problem for him is the pressure of too great expectations: it grows uninterruptedly. But as long as he enjoys the challenge, it is an incentive.

Yet Syse is substantially more than a political preacher; he is as good as an architect. And as long as he is party leader, it is also he who will lead the party. Lead one party.

It ended well for Wenche Frogg Sellaeg even though, en route, it did not always look as if it would. She has encountered the types of obstacles that readily arise when relatively new politicians very quickly make their way up the ladder toward the top. Some will then wonder if there is enough experience to balance the ambition, whereupon the person in question is supposed to show it. One is forced out of one's natural rhythm and tends to acknowledge what should be disavowed. In the media, Wenche Frogg Sellaeg has been exposed to what is called

the Sorli Syndrome: people cease to believe in the slalom skier's chances for finishing high in the standings and it is just a matter of when he will trip and fall.

But Mrs. Sellaeg ought to have all the prerequisites for staying on her feet. She has a carefully thought-out political viewpoint and a firmly anchored set of values. Her biggest obstacles should be behind her.

What will the consequences of these choices then be for the Conservative Party and for Norwegian politics? Actually, they imply no alteration of course. But the situation has nevertheless changed. The party has acquired new leaders; the party has faith in them, and renewed faith in itself. With greater conviction comes greater capacity to convince others. The Conservative Party put the Center Party behind it after the national convention. It no longer tries to recruit reluctant parties for nonsocialist cooperation if they are neither nonsocialist nor cooperative. The Conservative Party says to voters who want a change of government that they can get it by joining the Conservatives. To other parties one says that if one day they want something, they know where to find the Conservative Party.

Syse would like to work together with others. But in that case he will be mostly preoccupied with what he and they are going to work together on.

#### Syse Seeks Nonsocialist Cooperation

36390040 Oslo AFTENPOSTEN in Norwegian  
25 Jan 88 p 2

[Editorial: "The Alternative"]

[Text] It is results that count. That was the Labor Party's slogan in an earlier period, and it was also the working principle of Einar Gerhardsen in all the years he exercised his political leadership. We understand very well why Kare Willoch succumbed to the temptation of bringing up precisely this watchword at the Conservative Party's national convention, where he focused the spotlight on how the country is being run now. It was a ruthless confrontation. Nor did Jan P. Syse, new leader of the Conservative Party, pull any punches when he delivered his general assessment of the Brundtland government's policies.

What results can the Labor Party display after sitting in the seat of governmental power for a year and a half? It is pretty discouraging, in reality. Not only is Norway number one among Western countries when it comes to interest rates, but the same is also true for taxes, expenditure growth, price increases, and budget deficits. In trade and industry, optimism is about to be replaced by pessimism. The going has become rougher in nearly all areas. The hills become steadily steeper. The need for a new deal, a new policy, seems obvious.

In a speech that set sparks flying in the big hall of Folkets Hus, Syse roused members of his party to join the campaign for a nonsocialist victory in the 1989 election and for the best showing in the Conservative Party's history. Both are realistic goals. Because the middle parties have lined up mostly with the Labor Party in economic policy, the Conservative Party will emerge more and more as the alternative to the incumbent government, a moderate and consistently nonsocialist alternative, as Syse puts it.

The Conservative Party has always been the driving force behind formalized nonsocialist cooperation, the broadest possible joint action which can successfully produce nonsocialist policy. But as long as the middle parties find it more important to support the Labor Party in its policy rather than work for a joint alternative, there is little hope for restoring the earlier 3-party cooperation. If this is to happen, the Center Party and the Christian People's Party must change their course, because the purpose of a nonsocialist government cannot be to pursue a Labor Party policy.

In his keynote speech to the national convention, Jan P. Syse stressed that the middle parties must come to grips with the fact that during the last year and a half the Conservative Party has been the alternative to the incumbent government. On this basis, one is ready to cooperate and, as always, the middle parties will be able to count on the Conservative Party's outstretched hand. But as was repeatedly emphasized at the national convention, it is not a matter of whom one will cooperate with but what one will cooperate in. The middle parties can call up and say the word when they have made up their minds.

Let us insist that it is results that count. We know that in order to get Norway back on its feet economically a different policy must be waged, and this presupposes a new government. With the principal courses of political action which Syse has now outlined on behalf of his party, the Conservative Party will emerge still more as the leading power on the nonsocialist side. It is, in short, the alternative.

12327/08309

## PORTUGAL

### Poll Reveals Majority Believes in PCP's Improvement

35420052a Lisbon O DIABO in Portuguese  
30 Jan 88 p 9

[Text] Is the Communist Party going to change for the better, stay as it is, or change for the worse? The majority—28 percent—believes it will improve, 18 percent say that nothing is going to change, and only 5.6 percent think that the party may change for the worse. And 48.4 percent of those polled have no opinion.

Gorbachev's perestroika has now been accepted by the PCP and its leader, Alvaro Cunhal. Accepted, but not yet assimilated.

A sign of what may be new times for the PCP is the fact that five prominent party members recently presented the Central Committee with a document for analysis and reflection in which they advocate a few changes in behavior and in the strategy to be pursued by Portuguese Communists. Among other measures, those members proposed that delegates to the congress be elected by secret ballot.

The position taken by those leaders was not accepted by the party machinery with the glasnost implied by the philosophy of perestroika. But it may be at some point if the rigid Portuguese Communist Party changes direction.

With those possible measures in mind, this week's question was this: Do you think that the PCP is going to change for the better, stay as it is, or change for the worse?

Analysis of the results leads us to the conclusion that the majority chooses "not to have an opinion" and that of those who did respond, those feeling that the PCP is going to change for the better are clearly most numerous. But what strikes us as most significant is the very small percentage (5.6 percent) feeling that the PCP may change for the worse.

That "pessimism" with respect to changes in the PCP is, oddly enough, stronger among women (7.4 percent, compared to 3.5 percent of the men). In the breakdown of responses by age group, "pessimism" is greater in the oldest age group (6.8 percent of those between 55 and 64 years of age).

"Optimism" is expressed most strongly by men between the ages of 35 and 44 (40.8 percent). By occupation, it is the middle-level cadres who believe most strongly that the PCP may change for the better (43.3 percent), while female domestics are "least optimistic" (8.8 percent), a position that is in line with the answers given by other women, who are skeptical about the possibility of favorable changes in the PCP.

Finally, let us spotlight those who feel that the PCP will stay the same—that is, that "everything will go on as before." This opinion is held mostly by men and, oddly, the youngest among them (22.2 percent of those between the ages of 15 and 18 and 30.3 percent of those between the ages of 19 and 24). And in the breakdown by occupation, it is once again the middle-level cadres who stand out by their opinion that "everything will go on as before." It is also the middle-level cadres who are most opinionated (only 26.7 percent have no opinion, placing them at the opposite extreme from female domestics, 73.5 percent of whom have no opinion).

Response	Sex			Age			
	TOTAL	Men	Women	15/18	19/24	35/44	55/64
Better	28,0	35,1	22,1	16,7	24,2	40,8	25,4
Same	18,0	24,6	12,5	22,2	30,3	14,3	11,9
Worse	5,6	3,5	7,4	11,1	3,0	6,1	6,8
No opinion	48,4	36,8	58,1	50,0	42,4	38,8	55,9
base	250	114	136	18	33	49	59
	Occupation						
	Middle cadres	Govt emp.	Merchant	Plant worker	Retired	Student	Maids
Better	43,3	36,7	24,0	31,1	10,0	27,8	8,8
Same	26,7	21,7	20,0	11,1	15,0	22,2	8,8
Worse	3,3	5,0	0,0	2,2	20,0	5,6	8,8
No opinion	26,7	36,7	56,0	55,6	55,0	44,4	73,5
base	30	60	25	45	20	36	34

**Technical Data**

This poll was conducted by MARKTEST. The universe consisted of persons between the ages of 15 and 64 residing in homes with telephones in Greater Lisbon. The sample consisted of 250 interviews. Statistical error is less than 6.2 percent with 95-percent probability. The homes to be polled were selected at random, and within each home, the person to be interviewed was also selected using a random table. The poll was conducted by telephone and took place on 25 January 1988.

11798

**PSD Government Urged To Regain Lost Initiative**  
*35420052b Lisbon O DIABO in Portuguese*  
*26 Jan 88 pp 5, 7*

[Commentary by Nuno Rogeiro: "Cavaco Silva's Melancholy Power"; first paragraph is O DIABO introduction]

[Excerpts] Six months after 19 July, is it not time for the government to stop its melancholy rule from the center and to recover the taste for risk that gave Cavaco the majority?

"Pacts without swords are merely words" (Thomas Hobbes).

Portugal is sad. Not for any visible and specific reason, but perhaps as the result of a tremor of melancholy or a presentiment (of an end or a beginning). And the government is not escaping those states of mind, in which all the victories are being relativized and there is questioning as to whether anything is being achieved. Or if anything is worth the trouble.

Last summer, the political system crossed the Rubicon. An extreme majority emerged from the institutional and legal currents and padlocks that seemed destined to preclude definite political paths.

**Majority's Fear**

It is said that the group most frightened by the "biggest majority" was the PSD [Social Democratic Party], not the scorched opposition (which either fell silent or became turncoat). And it is true that there were those in the biggest majority who would have preferred more placid horizons, more limited responsibilities, and microsolutions. But it was felt that in Cavaco Silva there was a desire to "answer the call" and do great things—although cautiously, in the usual manner. That explains why the prime minister's popularity was never the same as that of his government. It explains why support for Cavaco was never seriously matched by equally intense support for the PSD. Willy-nilly, and liking it or not, Cavaco was caught in the mesh of personal power—of immense confidence in a leader and even the cult of personality.

That is a setting for victory and siege. Of power too intense for more than one person. But Cavaco could not govern alone. The most he could do was to rule alone—to govern with attendants. Now that a few months have passed, all of this is becoming more dramatic in spirit. The government needs to recapture imagination and support. It probably needs electric shocks. It needs to exude authority without arrogance. It needs to show realistic optimism. It must know what it does not want and where it is going. It cannot forget what it wants and where it came from.



With 6 months having passed, the government cannot forget that 19 July was not a quiver but an earthquake. It must leave behind the melancholy that follows euphoria and get back to taking risks. Having won an extreme majority, the government should relearn the secrets of its success as a minority.

It is true that when one has won everything, one is left with the taste of frustration in one's mouth. But getting over that depression of the rich is essential: as old Maurras used to say, despair in politics is stupidity. Meaning that in politics, nothing is forever won or lost. Greater challenges arise in the wake of greater triumphs.

The time has come for the government to say that getting to heaven was not enough. It is now necessary to transform the earth.

#### Choices Between Reefs

Cavaco Silva has been able to run risks and reject the middle way. He probably feels, like the legal expert who inspired Goldwater, that moderation in pursuit of the good is not a virtue and that extremism in the defense of virtue is not an evil. He has been able in the past to make decisions which some of the elite considered unpopular but which eventually turned out to have been necessary. He has been able to short-circuit conclaves of notables and speak directly to the hearts or minds of the masses (who said there were no kinds of collective reasoning?).

Now he needs to keep from getting trapped in the treacherous bell jar of centrism. Saying that Freitas do Amaral and the CIP [Portuguese Industry Confederation] on one side and the CGTP [General Federation of Portuguese Workers] and the PCP's rank and file on the other are the Scylla and Charybdis waiting for the ship of government to make a wrong move—that all is well in the Kingdom of Denmark as long as the prince is being attacked “by the extremes”—is the same as affirming the bliss of being in the middle, something that says very little and to very few people.

What Cavaco Silva cannot do, on the pretext of insisting anti-ideologically that “I am everywhere,” is to try to please the nonexistent centrism of delayed solutions. The ancients used to say: “What you can do, dare to do.” That remains good advice for moderns.

11798

### TURKEY

#### Commentary Describes Ozal's Presidential Strategy

35540109a *Istanbul CUMHURİYET in Turkish*  
23 Jan 88 pp 1, 13

[Article by Cuneyt Arcayurek: “Openness in Ozalism”]

[Text] We can swear that there has never been another politician who has been as skillful in bewildering the public as Prime Minister Ozal.

Ozal, who declared at the Business International meeting that he will stay in office until 2000, introduced a new twist to the issue of the presidency when confronted with a “barrage” of questions. More correctly, he gave clearer form to what he had been saying until yesterday.

Ozal raised the issue of 1989 before the recent general elections. When things got out of hand, Ozal declared that the press had turned the presidential elections into a problem. One Thursday, he went up to the Cankaya Mansion. There, he declared that he supports the concept of electing presidents for 5-year terms at every general election. Since the next general election will be held in 1992, how would the 3-year gap between 1989 and 1992 be filled? Apparently, Ozal wanted a “very early” election. What Ozal said suggested that he favored Evren to remain in office for another 3 years with the approval of the public.

That created pandemonium. The Mansion went into panic. The impression was created that Ozal and Evren were making “deals” behind closed doors. Cankaya termed Ozal's pronouncements as “personal views” and announced, through Baransel, that Cankaya had not discussed this matter with the Prime Minister. Ozal termed the comments and the rumors as “coincidental.” Meanwhile, the press learned that Ozal told the leaders of the Motherland Party [MP] parliamentary group that he “will not be a candidate for the presidency.” In addition, Semra Ozal said in her statements that she “does not know whether Turgut has such ideas.”

On the basis of indications coming from various political centers we reported that Ozal truly wants to become president. We said that his nature and political ambitions will lead him to Cankaya as soon as the right conditions emerge.

In our view, Ozal had not yet found a way “to change the Constitution or to have the new system endorsed in order to reach where he wanted to reach.” This was the main reason why he did not take a more explicit posture. He was not so worried that the MP would remain in unlicensed hands after his departure. If he could become president within the framework he wanted, he would be able to control the government and the party with new arrangements and “have a say in everything through ‘proxy individuals’ he would appoint.” In sum, Ozal would hold the strings.

The Prime Minister, who had not disclosed what “type of president he would like to be” until very recently, spilled the beans at the Business International meeting.

He said: “I have no desire for a powerless presidency.” This statement confirmed the information we had been getting from various circles recently. Ozal is now saying that he would prefer the office of the prime minister to a powerless presidency. He is saying: “I will be in a

position from where I can control Turkey's economic and political decision strings." Thus, he has taken a step forward while "disclosing his goals."

If he can change the Constitution and have the man in Cankaya vested with more powers than in 1982, Ozal will become the new occupant of Cankaya in 1989.

If he cannot bring about the changes he wants, Ozal does not wish to become president given the absolute majority he has in the Assembly. In other words, he will not consent to becoming "a lonely man" in Cankaya, a condition about which Evren and Koruturk have often lamented.

And then? Then, Evren, whom the people love, can still be reelected. A small change can be made in the Constitution, a person can be given the right to be elected president for a second term, and the people can vote for Evren. Of course, Ozal knows that the other parties will not be able to field a presidential candidate whom the people will like and will be forced to bow to Evren. Indeed, he can hardly go wrong on this second part of the scenario.

With his latest statement Ozal has played his trump card. While preparing the public, the political circles and certain centers for future developments, he has put his systematic campaign against opposition circles—which hope that the issue will resolve itself "in time"—on a more consistent footing.

Have you seen the papers? President Evren is teaching us how to live a healthy life.

Are Evren's tools and gadgets essential to extend one's political life?

What do you think?

9588

**SDPP Internal Woes Reported**  
*35540109b Istanbul MILLIYET in Turkish*  
*23 Jan 88 p 8*

[Report by Ahmet N. Yucekok]

[Text] Reports from within the Social Democratic Populist Party [SDPP] suggest that the party is in a state of continual flux and unrest. Provincial and district leaders are alternately dismissed and reinstated, and then party auditors are sent to the regions where the problems occurred, while the party assembly opposes the actions of the party secretary general. Why?

SDPP Secretary General Ali Dincer says: "Because of inconstancy." He adds: "The closure of the political parties after 12 September 1980 was a devastating blow. The organic ties between the nation and the political parties were broken; communications and the continuity

of action-reaction processes were disrupted. Is it wise to shut down hospitals because some doctors made mistakes? Would you idle the judicial system because judges have not acted properly? Then why were the nation's parties closed because the politicians erred?

"It is hard to reorganize after being shut down. This difficulty is particularly acute for the SDPP because it is a party which has dedicated itself to establishing social democracy in a nation where the class system is deeply rooted. This is especially difficult in an environment where labor unions and associations remain silent. Things became even more confused when the charismatic leader, Ecevit, changed direction."

From this perspective, the Motherland Party [MP] is in a more favorable position. It has not inherited any legacy from the past. It gains more confidence as it scores successes in its rivalry with the Correct Way Party [CWP]. In 1983, the MP appeared to be a one-leader party. Now it is the CWP which has become a one-leader party. Charges that the MP has a mission inherited from the old Democratic Party and the Justice Party are losing credibility. Perhaps it is moving toward becoming a party of nostalgia rather than a party of mission.

The SDPP situation is very similar to that of the MP; it has overcome its most lethal rival, the Democratic Left Party [DLP], on its left flank. This was due to the success of the "imperative" merger of the SDPP and the DLP at the grassroots level. But the problems in the SDPP continue because of the schizophrenic structure that has emerged from all the mergers and divisions. According to Ali Topuz, SDPP has still not completed its party formation phase. He says: "There are different definitions about the identity of the party. These are mostly different approaches which do not have any theoretical basis. Individuals invent various solidarity groups to achieve certain goals or to preserve the gains that have been made. This, in turn, creates the appearance of regional, extreme leftist, moderate leftist and conservative factions within the party. There are even people who support or oppose the concept of the SDPP being a continuation of the Republican People's Party [RPP]."

Fikret Unlu, a deputy secretary general, takes a similar view: "When the former RPP members came in after the referendum, a natural rivalry was created between them and the people with Populist Party or Social Democracy Party backgrounds. This is politics. Nobody would admit that his milk is sour."

In addition, important developments occurred after the latest party congress. A referendum, a primary election and a general election were held. Structural differences arose between the party's rank and file, its parliamentary group and its general headquarters. Efforts will be made to resolve these differences at the party congress to be held in the coming months. When differences between

the party rank and file and the party administration are resolved, the process of reshaping the organization will also be able to return to normal.

Deniz Baykal appears to be the most optimistic theoretician and opinion leader of the SDPP.

He says: "There are artificial solidarity groups within the party. But just as the Italian and German customs union agreements foreshadowed national unity, the SDPP achieved national party status in the latest elections. National status and scope makes a difference. It cannot tolerate regionalism or irresponsible and petty politicking. In the national arena, national forces are honed, and their stars shine. Small, petty affairs are forced to subordinate themselves to bigger issues and bigger solutions. The solidarity groups and small factions are like people holding hands when crossing streets in big cities. When you have the backing of the entire nation you should have no fear of crossing the street. You can unite around national action and ideology."

Would we be wrong if we said that the real struggle in the SDPP will take place between factionalists who see only trees when they look at a forest and national strategists who see a forest when they look at trees?

9588

### Editorial Gives Conservative View of TGNA 'Kurdish' Debate

35540109c *Istanbul TERCUMAN in Turkish*  
21 Jan 88 pp 1, 10

[Editorial by Taha Akyol: "Reality of Nation"]

[Text] The remarks SDPP [Social Democratic Populist Party] deputy M. Ali Evren made on the TGNA podium were no more than unfortunate nonsense. But what is more important on this issue is the posture of the SDPP as a party and that of Erdal Inonu as a leader.

The SDPP poses as the embodiment of the continuation of the "Defense of Law." The truth is that the concerns expressed by Bulent Ecevit—who knows this kind of thinking very well—about the SDPP are being confirmed and the causes of why the SDPP has been failing to win the public's support are becoming more evident.

The SDPP and Inonu must clearly state their position on this issue as a party and a leader. The Lausanne records that appear in today's edition of *TERCUMAN* show that when national borders are being redrawn or at times when concepts such as "living room," "spheres of influence" and "security zones" which superpowers are so fond of are on negotiating tables, information and resources which are considered "junk" in normal times become important.

Indeed, when Lord Curzon proposed plans aimed at keeping young and poor Turkey in economic servitude, Ismet [Inonu] Pasa and Riza Nur responded with historical, demographic, cultural and political facts.

The struggle of the Musul Kurds to join hands with Turks against the British was one of the pillars of the position taken by the Turkish delegation.

Today, we are experiencing an international political atmosphere where the superpowers are bargaining over Turkey, where the "Kurdish question" is being broached everywhere from Moscow to Washington and where work is under way to reshape the political structure of the Middle East. Inonu and the SDPP must, at the minimum, learn a lesson from Ismet Pasa's struggle of 60 years ago and realize that such remarks may be used as "trump cards" against us in international circles in the future.

How would Inonu respond if some time in the future the Socialist International, Washington or some Soviet organization confronts him with Eren's speech?

His response must be disclosed now.

Turkey is a state which was built on the legacy of an empire. The demographic structure of the Middle East, its "tribal sociology" and the voluntary immigration and escape of almost everyone in the colonized Muslim Ottoman lands to Turkey forged the reality of a "Turkish nation" not on the basis of race or ethnic background but around unity of culture, destiny and historical consciousness. The "Turkish nation" is a reality which is based not on racial homogeneity but on the unity of culture and destiny. All people who share the same history and the same destiny, including the Laz, the Circassians, the Dadas, the Turkmen and the Kurds, are part of the Turkish nation.

Moreover, it is well known that the Kurds share the same racial roots as the Turks and that certain linguistic and dialectic differences emerged later on because of the stagnation of social mobility and the nonexistence of adequate social integration within the existing sociological and historical conditions.

Turkey is on its way to ending this inadequate integration—which has resulted not from differences in race or destiny but from the economic history of the entire region—and the existing cultural, political and historical unity is now spreading to the economic domain. As a result, our national unity is being strengthened by economic unity.

Sabotaging this would help neither the region nor Turkey and would open the way to the latest ploys of imperialism and to deeper suffering.

We must learn from history and consolidate our unity through freedom and development.

9588

## FINLAND

### Expanding Arms Export Industry Stirs Controversy

36170042a Helsinki HELSINGIN SANOMAT in Finnish 24 Jan 88 p B 5

[Article by Matti Klemola]

[Text] The weapons industry has been like an embarrassing illegitimate child throughout the 1980s. No one has wanted to claim it as their own, and the desire to support it has been even less—not to mention the promotion of arms exports. War materiel exports, which directly employ an average of only 300-400 people, has, however, suddenly acquired many prestigious godfathers. President Mauno Koivisto, Chairman Pertti Paasio of the Social Democratic Party, former Foreign Trade Minister Jermu Laine (Social Democrat), Trade and Industry Minister Ilkka Suominen (Conservative Party member), and also Center Party Chairman Paavo Vayrynen have declared themselves to be among those who understand the weapons industry and, above all, its export needs. Since the vanguard is so well-known, it is certain that many others want to be included in this political lemming phenomenon. The weapons industry can only bask in its good fortune: how well it has gone.

The Social Democrats have kept an eye on and laid in ambush for the arms industry since its 1981 party congress in Pori. At that time, the party congress decided that there should be an export ban on weapons. The Social Democrats still officially hold this position. For this reason, a vote has been taken in the government on each arms export decision since the Social Democratic ministers have not been able to act against the party's official line.

The decision of the Pori party congress has, however, caused those Social Democrats familiar with economic issues, in particular, to chafe since the decision was railroaded through intentionally early in the morning: 145 delegates were sleeping or just getting up when the ban on arms exports was adopted.

Now Chairman Pertti Paasio has initiated action to repeal the ban on arms exports with the support of the president, among others. It is expected that there will be a considerable dispute, since arms exports mean trading in death to many party members, a trade in which a peace loving country such as Finland should not become involved.

### Exports Only 50-80 Million Markkas

Finland's arms exports amount to approximately 50-80 million markkas annually. Since the worldwide arms trade is around 130-150 billion annually, Finland's share is only a minute percentage.

As an arms exporter Finland is a Lilliputian. For example, Sweden's arms exports amounted to 1.34 billion markkas 2 years ago. When the 5.6 billion markkas due to Sweden from the scandal tainted artillery transaction concluded with India by Bofors are collected in approximately 3 years, the value of arms exports will more than double for the kingdom that is concerned about the world's troubles.

Such an industrious sale of war materiel is also apparent in international statistics. MILITARY BALANCE, a yearbook listing the world's most important arms deals, does not list any Finnish arms deliveries in its latest issue. On the other hand, Sweden appears on the list four times and Switzerland three times.

In addition to being modest, Finland's exports have also been splintered. According to a report published by HELSINGIN SANOMAT in the fall of 1987, war materiel and weapons have been delivered to 47 countries in the last 10 years. The transactions, however, have usually been small in the form of "empty basic charge shells to Singapore" and "700 M76 assault rifles with equipment to the Mexican Defense Ministry".

Now, however, it appears that there is a desire to accelerate Finland's arms industry and also arms exports.

A committee established by the Defense Ministry to report on exports of war materiel recently proposed that the granting of export permits be simplified. Since permits are presently handled by the government, the work group directed by Lieutenant General Aimo Pajunen, the department chief of the Defense Ministry, proposed that permits be issued by the Defense Ministry. It would be assisted by a panel of experts, in which there would be representation from the Foreign Ministry, the Interior Ministry, the Defense Ministry, and the Trade and Industry Ministry.

Two organs are currently deliberating the future of the arms industry. Senior Director Markku Makinen, chief of the industry section, directs a work group established by the Ministry of Trade and Industry. A committee established by the Council of State to determine the arms industry's competitive ability, for its part, is directed by former Trade and Industry Minister Eero Rantala, who is presently chairman of the board of the E-Cooperative.

### "Interceptor Deal of the Century Being Facilitated?"

There are several reasons for the sudden interest. The official position of the Social Democrats condemning arms exports is annoying since it is rather generally admitted that even a small country such as Finland needs its own arms industry. It will not be viable, however, not to mention profitable, unless it can also engage in exports.

A defense of the arms industry from the point of view of employment is only a smoke screen. The arms industry employs so few people that snuffing it out would not be very difficult in a country from which tens of thousands of industrial jobs have disappeared even otherwise in a short time.

The political interest in the arms industry and exports reveals a practiced operation, particularly when the country is currently undergoing a presidential election campaign. Nothing is left to chance in such major issues.

The arms industry is part of Finland's security system. The equation is simple: if Finland ends up in a crisis situation, no one will sell weapons to us, and, therefore, we must have our own arms industry. The more war materiel Finland is able to produce for its defense forces, the better. If production series can be made larger than at the present time by means of exports, it will always be better.

The domestic proportion of defense equipment is presently a little less than 40 percent. This is too low.

It is, however, difficult for the leadership of the Social Democratic Party to say this directly to its membership—particularly since former Chairman and present Foreign Minister Kalevi Sorsa is also the chairman of the disarmament work group of the Socialist International.

The forthcoming interceptor transaction worth billions of markkas may also be a spectre in the background. It is very probable that Finland will decide to acquire some of the new interceptor aircraft from Sweden. Since aircraft purchases always include a strict counterpurchase principle, Finnish military equipment can be sold to a politically safe Sweden.

The Finns have already delivered underwater sonar equipment to Sweden, and several Pasi tanks have been suitable for Sweden's UN forces. The price tag amounting to billions of markkas for the JAS-interceptor procurement can, perhaps, be softened by arms deliveries to Sweden.

#### **What Does Finland Produce?**

Finland's weapons industry is comprised of approximately 20 enterprises, of which some primarily deal with products completely unrelated to war materiel. The production of defense equipment for many enterprises is a side business, which is, indeed, supported by the primary production.

A typical example is the electronics giant Nokia, which manufactures exceptionally sophisticated electronic systems intended for military use in addition to products intended for civilian use.

The experts consider it important that these very systems be produced in our own country. An enemy's chances to disrupt them will be essentially less if such systems are not proliferated around the world.

In addition to electronic systems, Finland produces artillery pieces, grenade launchers, war ships, hand held weapons for the infantry, and, of course, all kinds of calibre ammunition. Even the aircraft industry has succeeded in remaining alive at Valmet's Kuorevesi plants even though a noose has been hanging around its neck for years already. The Kuorevesi Plant has with the frenzy of desperation attempted to market training aircraft intended for military use in Finland as well as throughout the world. A Redigo named aircraft is now being marketed.

The continuation of production is important since know-how in this area would otherwise disappear in Finland. This will be needed when the new interceptor aircraft are acquired. The majority of the present Hawk training interceptors, their predecessors, the Fouga Magisters, and a portion of the Draken fighter aircraft were assembled at the Kuorevesi Plant.

The Defense Ministry's Vammaskoski Plant, which also manufactures civilian products—road ploughs, among other things—is specialized in the "repair and modernization of heavy equipment". Modernization apparently means the retrofitting of obsolete Soviet-made tanks, for example, with modern electronic systems. It is said that the arms industry of a poor and small country is capable of rather ingenious solutions whether it be a question of the secrets of combat aircraft or coastal defense.

The reputation of Finnish war materiel is even otherwise good around the world. The Israelis, among others, consider the Finnish assault rifle to be one of the world's best. According to JANE'S INFANTRY WEAPONS, a reference book devoted to this area, Valmet's version of the assault rifle is "appealing to use and as all of Valmet's rifles, it is an exceptionally high quality weapon".

#### **The Political Risks of Weapons Exports**

The sale of weapons is not called trading in death in vain. War materiel has an unfortunate tendency to end up in entirely different places than where it was originally intended through the hands of intermediaries. For example, explosives manufactured by Forcit in Hanko, have ended up in theaters of war through Swedish intermediaries.

General Pajunen's committee, which deliberated weapons exports, proposed that even if the issuance of export permits were transferred from the government to the Defense Ministry, the ministry and the government could rescind a permit immediately if there is cause for it.

This, however, is not enough for the critics of the report since they consider weapons exports to be like walking on eggshells: wherever one may step, something will break.

This was the experience of Tampella, which conducted business with the Israeli Salgad for several decades. Tampella severed its relationship with Salgad in 1974 and sold manufacturing licenses to its former partner in cooperation.

The transaction, however, turned out to be an occupational accident since Tampella's name was also sold by mistake. Salgad continues to advertise field artillery and grenade launchers under the name "Type Tampella" even though Tampella has had nothing to do with Salgad for 14 years.

In spite of the apparent risks of weapons exports, the newly appointed director of customs, Jermu Laine, has criticized the Social Democrats' current weapons export policy as "hypocrisy". Laine has dropped enough hard language along with the accompaniment of

Social Democratic Chairman Pertti Paasio that one is left with the impression that the soft thinking within the party from the 1960s is even otherwise being pushed aside. It can be considered a sign of the times that Ulpu Iivari, who was elected as a woman to the position of party secretary, admitted a couple of days ago—indeed reluctantly—that Finland apparently needs its own weapons industry.

The sudden change of attitude in the chief ruling party in such a sensitive matter is not exactly normal behavior.

#### **Finland's Weapons Industry**

Aspo Elektroniiikka (in Espoo): electronic systems

Fiskars Oy (Helsinki): sonar systems

LM Ericsson Oy (Kirkkonummi): communications systems

Jantronic Oy (Vihti): target equipment

Nokia Oy (Helsinki): communications systems

Forcit Oy (Hanko): explosives

Kemira (Vihtavuori): gunpowder, cartridges, ammunition

Defense Ministry's Lapua Cartridge Plant (Lapua): firearm cartridges

Sako-Valmet (Riihimäki, Jyväskylä): assault rifles, machine guns, ammunition, detonators

Defense Ministry's Vammaskoski Plant (Vammala): ammunition shells, repair and modernization of heavy equipment

Tampella Oy (Tampere): field artillery, Coastal Artillery turret guns, grenade launchers

Hollming Oy (Rauma): missile boats

Wartsila's Hietalahti Shipyard (Helsinki): missile boats

Sisu-Auto Oy (Hameenlinna): armored personnel carriers, tracked vehicles

Valmet (Kuorevesi): Leko and Redigo training aircraft, license manufacture of [foreign] aircraft

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## FRANCE

### **Defense Official Interviewed on Navy's Role, Prospects**

35190038 Paris COLS BLEUS in French  
30 Jan 88 pp 20-21

[Interview with Francois Fillon, chairman of the National Assembly Defense Committee]

[Text] [Question] You have just spent a few days on board our ships serving in the Arabian Sea. What were your impressions?

[Answer] Along with Jean Brocard, adviser on the Navy budget, I was invited by the Minister of Defense to go to the Gulf of Oman.

On all the ships I visited; the corvette "Dupleix," the tripartite mine sweeper "Orion," the aircraft carrier "Clemenceau," I was able to measure the excellent morale of the crews. For the most part, however, they had left France at the end of July with advance notice of only 72 hours. In general, they were able to make but one or two stops in Djibouti and did not know when they would return. Living conditions on board ship were also relatively difficult, naturally, because of the climate, but also because of the somewhat sustained state of tension, linked to the presence of many ships and planes whose nationalities and intentions they do not always know.

However, all the men felt they were fulfilling a particularly useful and effective mission. I would add that on the occasion of that visit, I was able to appreciate the remarkable quality of the command.

[Question] In general, what is your opinion of the mission entrusted to the French Navy in the northern Indian Ocean?

[Answer] First of all, I would remind you that the sending of Navy ships to the Gulf region took place in three stages: first, an initial small number of planes to guarantee the safety of our ships, when it became apparent that freedom of navigation was threatened in the Gulf; then, at the end of July, the Naval Aviation Group, when tension mounted with Iran—particularly with the "embassy war"—and finally, in August, the mine sweepers and spotters, when we began to see mines in areas crossed by commercial ships and oil tankers.

The French presence has without question been positive. I would point out that no French tanker has suffered serious damage since that date and that our antimine group has demonstrated its efficiency. However, above all, the action taken by France has had a very strong impact, first of all, on surrounding countries, but also on the United States, the Soviet Union and our European allies.

[Question] As chairman of the National Assembly Defense Committee and also because, as everyone knows, these problems have long interested you, you are one of the individuals best acquainted with matters involving military budgets; do you believe that the Navy's share of the budget is adequate to enable it to properly discharge the missions entrusted to it?

[Answer] All the Armed Forces: the Navy, Air Force and Army, naturally tend to think that the share of the budget allocated to them does not meet their needs. However, I believe that such an attitude is less justified than ever, particularly regarding the Navy, first of all, because after a certain number of years during which objectives were not met, we came out with the military appropriations law and the 1987 and 1988 budgets in a phase marked by the very clear recovery of our defense effort. All the branches of the Armed Forces are taking advantage of that effort.

I would note that the Navy has a particularly important role in the equipment effort; first of all, with the Oceanic and Strategic Force, but also with the implementation of programs such as those involving the nuclear aircraft carrier, nuclear attack submarines, corvettes with an antisubmarine or antiaircraft capability or even the coastal patrol aircraft "Atlantique."

Rather, it is with respect to the operating credits that concern is sometimes expressed. I do not believe that there is any basis for such concern. Only the equipment maintenance credits were probably figured down to the last dime in the 1988 budget, but we must recall that they increased substantially in 1987 and that we have to take the cost of spare parts included in Section V into account. They are in fact quite high.

I would also like to observe that contrary to what happened 2 or 3 years ago, additional costs linked to operations outside mainland France and particularly those in the Gulf were entirely taken into account in the overall 1987 budgetary figures. They will therefore not affect the 1988 budget.

[Question] Sailors sometimes have the impression that the French are not interested in the problems of the sea and that they cannot get their eyes off the "blue line of the Vosges" or that of the Elba. Are they right and, if they are not, how can one make people become aware of the importance of the oceans?

[Answer] The French, who are above all "landlubbers," have traditionally been compared with the English, who from time immemorial have turned to the sea. Without question, we must have a less rigid view.

Certain maritime activities—shipbuilding, the Merchant Marine—are experiencing very serious difficulties due to the competition of new countries or pleasure craft. However, implementation of the Merchant Marine plan demonstrates the interest which our national community has in the sector.

One must also recall that many regions, particularly the coastal areas and Brittany, primarily relate to the sea; whether it be a matter of deep-sea fishing, trade or tourism. Prospects of the use or development of the ocean—aquaculture, polymetallic nodules, oil and soon—while not as promising as one thought a dozen years ago, speak eloquently to the imagination of the French and I would remind you that with IFREMER, we have remarkable research teams in the field.

As for defense, it seems to me that the trend of public opinion in recent years is largely favorable to the Navy. Strategic nuclear submarines now appear to be the major element of deterrence and sending the Navy to the Gulf region has received support that we had never perhaps anticipated in the past for operations of this type.

[Question] Even though antimilitarism seems to be clearly in a decline, the spirit of defense would not appear to concern most of our fellow citizens. Do you think this is indifference, an exaggerated feeling of security due to the nuclear deterrent or something else?

[Answer] The situation of peace which our country has enjoyed for over 40 years undoubtedly contributes to the feeling of security which most of the French people have today.

However, I do not believe that that feeling is accompanied by any weakening of the defense spirit.

I believe that it mainly expresses a feeling of confidence very largely linked to the existence of the nuclear deterrent and it is remarkable to observe that in French public opinion, the priority given to the defense effort is no longer contested. It is in countries that do not have their own independent defense that one now observes a certain feeling of insecurity and that feeling of insecurity seems to favor pacifist movements more than any spirit of defense.

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## GREECE

### Details on Production of Artemis-30 Antiaircraft System

#### High Cost Pointed Out

35210069 Athens EPIKAIRA in Greek  
15 Jan 88 pp 26-27

[Article by G. Angelis]

[Text] After a period filled with delays, postponements, changes in planning, as well as financial and other kinds of problems, the new management of the EVO [Greek Arms Industry] appears to have finally succeeded in organizing the construction program for the Artemis-30 antiaircraft weapons system and in putting it on the proper road.

Speaking optimistically, the first complete system will be delivered to the armed forces in June. The EVO management is optimistic that another six will be delivered by the end of the year.

The Artemis-30 project is a Greek idea that was created during the last days of New Democracy's term of office, namely in 1981. Until 1984, when the agreement was signed with the armed forces, the project had remained mostly on paper. Nevertheless, even after 1984, beside enthusiasm and noteworthy endeavors, the previous board of Mr Arsenis faced financial and technical problems that, together with a lack of organization, resulted in the project being faced with delays, postponements and vicissitudes.

What is this Artemis-30 about which the Greek people have been hearing for so many years but (as usually happens) not been seeing?

The Artemis system, therefore, is a new advanced technology anti-aircraft weapons system that is made up of a fire unit with twin 30-mm guns, a fire control system and a radar system.

In simple terms, the weapon operates as follows: when radar picks up one or more targets it "gives" the data to the fire control system that electronically latches on to the targets, follows them, makes certain of the targeting and once having made the necessary computations on the distance, speed and altitude of the target it guides the firing units and gives the order to fire.

Radar can pinpoint targets from a distance greater than 30 kilometers and can follow the course of up to 20 of them. The fire control system uses special television cameras, both regular and infrared types, for sighting and tracks distances with laser beams and tracking radar. Rate of fire can go up to 800 rounds a minute. The 30-mm ammunition is manufactured by EVO in a wide variety of types.

The Artemis fire unit can also operate independently with the fire-control system and radar, while for special circumstances it is equipped with a hand-operated firing system.

Until now, two systems have been built, one of which is now abroad where synchronization of the weapon's electronic parts is being effected with the firing units.

EVO manufactures 60-64 percent of the overall Artemis project, while the electronic parts are mainly built by foreign firms, such as Philips. The gun barrels are also the product of joint planning between EVO and Mauser and are built using the new "cold forging" technology.

For the most part, the weapons system will be built in the new installations in Mandra, Attiki, where opening ceremonies will be held on 15 January with Prime Minister

A. Papandreou being present. More than 1,000 subcontractors are participating in building small parts under the overall supervision of EVO. In this regard, some problems might crop up, given the fact that even one small defective screw might cause a malfunction in the operation of the weapons system. The company itself admits this possibility. However, it also considers checks and controls over subcontractors as "adequate" and "completely satisfactory."

If Artemis should prove to be successful this would be of great significance to the armed forces, and more specifically to the army and air force that have put in orders for the system. Air defenses for airports and army camps will be significantly strengthened, specifically in the islands.

Nevertheless, as in any new system, there are some reservations. There are military circles that feel that Artemis is not the system needed by our country's army, while others do not consider it as reliable as it is being presented. Until now, nevertheless, tests have had relatively good results. Final tests will probably be conducted in February and, according to what comes out, the abovementioned reservations will either cease to exist or will be transformed into serious concerns.

It is anticipated that there will be a delivery of 16 complete Artemis weapons systems and 56 other units by 1990. Until now, the cost of the project has amounted to 10 billion drachmas and no one can, with certainty at this time, say how much money has been wasted or how much money has been needlessly lost.

An example of this uncertainty is the change made in the plan with regard to the plant in Kymi.

Initially, it had been decided that Artemis would be built at the Kymi installations. After new evaluations this decision was deemed to be an unfortunate one although the initial investments had been made. Thus, the new casing plant in Kymi was inaugurated but it has not been revealed how much of the cost of a "change in plans" has been covered.

The new EVO management, under Dr Stamatis Kambanis, considers the Artemis as a "national issue," and according to its statements, it is moving forward with its production with "fanaticism." The truth is that some momentum has been noted in this war industry over the past year the results of which, either positive or negative, will soon be revealed.

**Production Delays Reportedly Overcome**  
*35210069 Athens ENA in Greek 14 Jan 88 pp 22-25*

[Excerpts] The first Greek anti-aircraft gun, built entirely by Greek hands, is a fact. And our country, in a timid manner, is taking its first steps in the field of heavy war industry with a weapons system for our own armed forces and also for foreign armed forces since this system is also destined for export.



After many years of delays and very expensive advertising that publicized a non-existent product, the Artemis antiaircraft weapons system is, according to all indications, moving from the "paper" to the production stage. Thus, Artemis-30, about which there was so much talk is ready for delivery to the installations of the General Mechanics Company, an EVO affiliate.

A second fire unit was sent to Sweden a few months ago for incorporation of the system's electronic parts and, as Mr Stamatis Kambanis, EVO president, said, "the delivery of the first complete Artemis-30 antiaircraft weapons system is expected in January."

The truth is that the development of the Greek antiaircraft weapons system was set back quite a bit. The EVO president says, "It is a complex system and it takes time. However, there are also financial reasons besides technical ones that forced the overall project to fall behind."

Among the most basic causes for the delay in Artemis' production was the lack of any substantive cooperation and coordination between competent services of the armed forces and construction companies.

Often the over optimism that was expressed by managers of state defense materiel manufacturing firms was contradicted or resulted in the delivery of a product that was not price competitive with the result that the armed forces' reliance vis-a-vis construction companies was shattered. And yet these setbacks have been overcome as far as EVO is concerned and in particular with regard to the Artemis-30 antiaircraft weapons system.

Mr Kambanis said, "The fire unit that is ready for delivery has been tested repeatedly in Kandili (Megalo Pevko). There were problems during the tests but they were resolved thanks to the infrastructure that had been set up."

Nevertheless, perhaps the most decisive factor that permitted the promotion of the overall project was the abandonment of grandiose and unrealistic plans, such as the establishment of a unit in Kymi, Evoia, where the Artemis-30 was to be exclusively built.

After a cool evaluation of the data at hand, it was determined that on the one hand it was most difficult to ensure the transfer of specialized personnel from Athens to Kymi and on the other hand the training of the local labor force to meet the needs in specialized personnel required was a process that would be a particularly long one. On the basis of this evaluation it was decided that it would be more useful to concentrate the development work in the General Mechanics Installation in Mandra.

The number of basic Greek subcontractors with whom EVO directly works comes to 75. Many of them, in turn, assign work to other subcontractors. Finally, there are three basic subcontractors in West Germany (for radar,

engine and hydraulic pumps), one in Sweden (electronic equipment), one in Austria (electrical equipment) and one in Ireland (small motors).

#### Description of Artemis-30 Weapons System

The Artemis-30 antiaircraft weapons system provides independent point defense against fast- or slow-flying targets traveling at low to very high altitudes, in all weather conditions.

The effectiveness of the Artemis-30 system is due to the system's extremely short reaction time, its high accuracy and the high rate of fire ability of its guns, as well as its easy maintenance.

The Artemis-30 system is composed of the following elements:

1. Search radar system and projectory direction system.
2. Fire control system.
3. Fire units (this is built by EVO).

The search radar system (SRE) searches air space at a radius of 30 kilometers and spots any flying targets. The SRE has the ability to search and follow 20 targets simultaneously, as well as being able to convey data to 12 fire control systems (SEP). Every enemy target is consigned to the appropriate SEP that then follows the target, evaluates the ballistic data and directs the firing units. It is explained that each SEP is able to direct four firing units.

More specifically, the abovementioned systems are composed of the following:

1. X band pulse doppler radar.
2. Secondary radar IFF-H/Y air defense control and organization.

Fire control system:

1. Tracking radar.
2. TV camera with automatic tracking.
3. Distance-calculating laser.
4. Digital computer for processing incoming ballistic data.

Gun Fire Unit:

A unit is made up of twin 30 EVO/MAUSER guns towed on a wheeled carriage which has a holding capacity of 500 rounds of ammunition ready for firing. The gun is of the most modern design, rapid firing and effective against a target.

5671/9738

## PORTUGAL

### **Israeli Cooperation Possible To Modernize Arms Industry**

*35420054b Lisbon TEMPO in Portuguese  
21 Jan 88 p 14*

[Excerpt] A fact that the public has not picked up on yet is the departure of a military mission for Tel Aviv. Once again, Cavaco Silva is trying to solve a drain on the public treasury by a management gimmick, at which he seems to be an expert. As everyone knows, the government has great problems producing arms for defense. There was the INDEP incident, when managers were held hostage, followed by other disturbances. The weapons it makes are no longer marketable because they are obsolete. It only remained for the government to shut down the plants. But imagine the social problem that would cause. Maybe Cavaco Silva decided to try to reach an agreement with Israel under which our military materiel factories would be modernized to produce arms for the Middle Eastern country. As is well known, Israel has long wanted a closer political understanding and a Portuguese ambassador in Tel Aviv. Maybe a trade-off is afoot: Israel will aid our defense industry and Portugal will finally normalize diplomatic and political relations with the land of Golda Meir. We will have to await further news about the military mission's trip to Tel Aviv.

08844/9738

### **Plans for Restructuring Weapons Plant**

*35420054a Lisbon O JORNAL in Portuguese  
29 Jan-4 Feb 88 p 2*

[Text] INDEP (National Defense Industries of the Portuguese State) is preparing to shut down the Moscavide and Barcarena plants and sell the lots where they are located for urban development, according to a statement made to O JORNAL by Gen Casimiro Proenca, chairman of the company's board.

Faced with a debt of approximately 6 million contos and research costs of 250,000 contos a month, INDEP will undergo major surgery, which has long been demanded by middle managers but always postponed. The sit-in demonstrations that took place in the Administration Building on 29 December and 7 January, which were not without irony, were the catalyst for restructuring the company, which has already been approved by the government at the level of the Council of Ministers. As a

result of these actions, 33 INDEP employees were suspended for having virtually held management hostage. Charges of aiding and abetting were lodged with the attorney general of the Republic against several others in the same incident.

According to General Proenca, the metalworking department of the National Munitions Plant in Moscavide will be relocated to Braco de Prata. Out of safety considerations, munitions will now have to be armed at another manufacturing facility.

INDEP has a small plant on 47 hectares of land at Barcarena. Plans to develop a large military munitions plant there are no longer feasible because of the proximity of residential neighborhoods.

The sale of assets in Moscavide and Barcarena seems to be a decisive step to strengthen the company's financial health.

Moreover, INDEP has not ruled out the possibility of selling its interest in other companies or taking on private or even foreign investors. In fact, Rio Tinto, a Spanish firm, would be interested in acquiring an interest in the Portuguese Explosives Corporation, of which INDEP is the majority stockholder.

The most delicate aspect of restructuring is the drastic layoff of personnel who will become superfluous as manufacturing processes are modernized. In round numbers, an effort will be made to reduce the total work force from 2,500 to 1,500. The first to be affected will be contract employees, whose contracts will not be renewed. A committee will be appointed by the Ministry of Defense to safeguard the interests of regular employees with retirement benefits. Other employees will be offered early retirement if they are 40 and have 15 years of service or if they have 20 years of service at any age.

Meanwhile, some operations of considerable importance are already under way in the area of industrial and commercial planning. A 900,000-conto investment will enable INDEP to participate in bidding under a NAMSA program, the purchasing arm for NATO, for 155-mm munitions.

INDEP will also begin manufacturing laser-equipped arms and accessories for the Army that will make it possible to stimulate combat conditions during training. This system, known as SITPUL, is the fruit of a three-way effort involving INDEP, LNETI (National Engineering and Industrial Technology Laboratory) and EID (Electronic Research and Development corporation) of the CENTREL Group. Discussions are in progress to sell this system to Spain, Norway and Turkey.

The three companies have undertaken a new electronic surveillance project at the Alcochete Target Range.

8844/9738

## EUROPEAN AFFAIRS

### France Continues To Attract German Banking Interests

35190037 Paris LE NOUVEL ECONOMISTE in French 15 Jan 88 p 83

[Text] "A 1992 deadline? But that is the constant concern," is all that is being said on the other side of the Rhine in political as well as industrial circles. That means that the future of a single European market is not held sacred in the least by the Federal Republic of Germany. Nevertheless, the banks are of primary importance, and a large number of their directors see in the process of European integration "an encouragement to them to open up even more." In this prospect there is already one certainty: France is a priority for German banks.

"The importance of German banks in France in no way reflects the intensity of Franco-German economic contacts," says Robert Lang, president of the board of directors of the Franco-German Bank, a subsidiary of the Westdeutsche Landesbank, which controls 95 percent of its capital. "The German banking presence in the Hexagon is minimal in relation to the importance of the French market," echoes Franz-Hesso zu Leiningen, director of the Deutsche Bank in Paris. In 1986 trade between the two countries amounted to over Fr 305 billion. That same year, 26 percent of the industrial turnover in France was carried on by business firms controlled by foreigners, and 13 percent of this amount was attributable to German firms. Conversely, according to Bank of France statistics on 30 June 1987, German banks had only a modest ranking in the classification (on the basis of their own capital) of the 152 foreign institutions doing business in France. The Franco-German Bank had the best standing (11th), ahead of the Dresdner Bank (18th), the Commerzbank (23d), the Deutsche Bank (35th) and the Bayerische Vereinsbank (93d). The shares held by these banks in the deposit and credit sectors are marginal.

Facing Frankfurt and the German financial system—which, in the eyes of banks across the Rhine, is too slow to react to the liberalization and deregulation movement—Paris holds some good trump cards, such as the development of new money market instruments, the creation of MATIF, the abolition of privileges to currency traders, and the absence of taxes on the exchange turnover, which, in a good year or a bad one, brings almost 700 million Deutschmarks to the FRG's treasury. And let us not forget, finally, the sympathy aroused by the Chirac government's policy of privatization. "The scene can still change if the big banks are privatized. We must be on our toes," Alexander Himmighofen believes. Himmighofen is manager of the Commerzbank, the third largest private bank in West Germany, which since 1970 has been cooperating with the Credit Lyonnais within the framework of Euro-partners. The Bank of Frankfurt is staking its first claim: a 5 percent interest in

the Cholet-Dupont agency, the third largest French currency trading firm, and the creation of a transferable securities service, which is being studied. And with the prospect of privatization of the Credit Lyonnais, the Commerzbank envisions a 10 percent interest in that bank, with resulting mutual benefits.

### The Role of CLE

As for the Dresdner Bank, the second-largest private West German bank, it is preparing to celebrate 30 years in France next spring, thanks to its participation in ABECOR (Associated Banks of Europe Corporation) since its creation. "Since the Treaty of Rome was signed we have anticipated France's key role in the EEC," said Herbert Mayer, general representative of the Dresdner Bank in France, expressing his satisfaction. "We must henceforth pursue restructuring and improve still further the net results of the Banque Veuve Morin-Pons, whose capital we have controlled 100 percent since 1984." To confront the new deal which involves the freeing up of credit, it is likely that the French branch of the Dresdner Bank will see its capital (at present 180 million francs) increased. Nor is the possibility excluded that Veuve Morin-Pons (about 15 service branches in the Lyon-Saint Etienne region, three in Paris) will enlarge its network. "We need the clients' deposits. The interbanking system is not enough," said Mr Meyer.

Apart from the group statistics, often reflecting past choices, the German bankers in France are unanimous in recognizing it: "With the prospects of a market which in principle must be completely unified by 1992, we must be present throughout. Otherwise, watch out for 'provincialization!'"

8735/12913

## FEDERAL REPUBLIC OF GERMANY

### New Legislation Stimulates Venture Capital Market

36200070b Munich SUEDEDEUTSCHE ZEITUNG in German 11 Feb 88 p 27

[Article by lsb: "Movement in the Risk Capital Market—New Law Has Impact—Bavarian Credit Institutions Participate"]

[Text] Munich—The new law on venture participation corporations [Unternehmungsbeteiligungsgesellschaften (UBGG)] is gradually creating additional activity in the risk capital "market." In the opinion of the Bavarian Venture Participation Corporation in Munich [BUB], there are currently about 10 firms in the FRG whose activities are based on the new law. However, some of the new corporations are said to be merely "paper" organizations (i.e., mail drops), which were superimposed on existing holding enterprises. The UBGG, which went into effect at the beginning of last year, is designed to provide an entry to the stock market for medium-sized enterprises.

According to BUB Chairman Hartmut Langhorst, the attractiveness of the new law for participating corporations lies primarily in relief from income and trade taxes, as well as in the standardized conditions which it provides. In return, the lawmakers require the new holding corporations to sell their shares on the open market within 10 years. In addition, they must comply with certain restrictions in making their investment decisions. These participating corporations may not, for instance, purchase shares of enterprises traded on the stock exchanges. Also, they must restrict themselves to minority ownership, unless they affiliate with very recently established firms. And each affiliation must stay within certain limits.

Following the example of the Allianz, the Deutsche Bank or the Commerzbank, 10 Bavarian credit institutions as well as the Bavarian Insurance Company, have created their own participating corporations with the BUB on the basis of the new law, under the guidance of the Bavarian Land Agency for Economic Expansion Financing (LfA) of Munich. Chairman Langhorst believes that this widespread ownership indicates on the one hand the broad range of common interests of these institutions, and on the other hand provides for a new business strategy for the BUB. The holding corporation's capital at present amounts to DM22 million, with an increase of the basic capital structure by DM5.5 million already approved. Also, the BUB has already concluded its first affiliation, with a "handful" of others to follow in the course of the year. There is, he added, no lack of demand for capital; however, inhibitions exist in many of the firms with which the profit-motivated BUB would like to affiliate.

The first affiliate, he continued, is an expanding enterprise in the specialized construction business. Two other holding companies are already part-owners of this firm: the Capital Participation Corporation for Bavarian Medium-Sized Enterprises [Kapitalbeteiligungsgesellschaft fuer die mittelstaendische Wirtschaft Bayerns mbH (KBG)] of Munich, and the Bavarian Venture Participation Corporation [Bayerische Wagnisbeteiligungsgesellschaft mbH (BWB)], also of Munich. The BUB plans to cooperate in the future as well with these two holding companies, which have similarly constituted partnerships. The attraction of this "Bavarian solution with three corporations," he continued, lies in the fact that it provides an opening for widespread participation with a volume of up to DM8 million.

9273/08309

**Daimler-Benz Sees Potential Market in USSR**  
36200070c Munich *SUEDDEUTSCHE ZEITUNG* in  
German 12 Feb 88 p 24

[Article by vwd: "The USSR—A Market of the Future"]

[Text] Stuttgart—Daimler-Benz AG (Stuttgart) Vice Chairman Werner Niefer considers the USSR to be a potential future market for the German automobile

industry. Having returned from talks with top management representatives of the Soviet automobile industry in Moscow, Niefer attended a function organized by a motor vehicle journal and said that he visualizes this market for passenger cars as well as trucks, in view of the Soviet population of 283 million. However, Niefer, who had accompanied Baden-Wuerttemberg's Prime Minister Lothar Spaeth on his visit to the USSR, emphasized that his statements should not be taken as "euphoria," in view of many unresolved questions and problems of cooperation. Daimler-Benz spokesman Matthias Klei- nert announced that the Soviet motor vehicle minister had accepted Niefer's invitation for a visit to Stuttgart-Untertuerkheim.

9273/08309

**Industry Seeks Joint Ventures With Indian Firms**  
36200070a Duesseldorf *HANDELSBLATT* in German  
11 Feb 88 p 10

[Article by ay: "Great Expectations at the 'Technogerma India'"]

[Text] Cologne—In the "Technogerma India'88" industrial fair (New Delhi, 14 to 20 March), German industry recognizes a great opportunity to widen its cooperation with Indian enterprises. About 250 firms from the FRG will be represented at this fair, which will be the biggest German representation ever at a foreign trade show.

Bonn's Ambassador to India, Dr Konrad Seitz, stated at a press conference at the FRG Industrial Association in Cologne that the primary objective at this trade show was not the promotion of exports to India, but rather the initiation of long-term business based on joint enterprises and licensing arrangements. The Technogerma show will express this intention by way of workshops, among other things. According to the ambassador, the Indian market must not be left to our competitors, principally the United States and Japan, which "discovered" India long ago. While Japan planned to increase its development aid to about \$1 billion next year, he said—a figure which "makes us shudder"—the Americans are engaged primarily in protecting their stake in the computer area. German industrial investments on the other hand are "ridiculously low" at about DM400 million, he continued; they constitute a mere 2 percent of all German investments in the Third World.

In Seitz's opinion, this is a particularly favorable time for German efforts in India, because the Indian Government is implementing a new phase of its economic policy, specifically, reintegration into the world market and thus the abandonment of the strategy of "self reliance," its economic self-sufficiency. Seitz believes that the current liberalization of the economy (removal of protective licenses for Indian industry and thus of

obstacles to imports; facilitating joint ventures, measures to stimulate exports) is irreversible, even though temporary reversals may occur, such as the one caused by last year's drought and crop losses.

He stated further that industrial relationships with India, the ninth largest industrialized country in the world, must be improved also in view of the fact that India is the Third World's main "high technology country," that it is more highly developed than the People's Republic of China and that its pool of scientists and technologists is second only to those of the United States and Japan.

Kurt Steves, a member of the board of the FRG Industrial Association, also pointed out that India is the best potential market in the entire Pacific region. It contains a broad middle-class entrepreneurial stratum which, while facilitating industrial cooperation, must learn to live with competitive pressures on the world markets. However, Steves believes that Technogerma will be a complete success, because during intensive preliminary talks the mutual great expectations for closer industrial cooperation had been "nailed down."

The successful outcome of the trade show is to be ensured, among other things, by visits of two cabinet ministers, Minister for Economic Cooperation Klein and Minister for Economics Bangemann. Also attending the show in New Delhi will be a delegation of major industrialists headed by the president of the FRG Industrial Association, Tyll Necker.

9273/08309

## FINLAND

### New Payment Methods Weighed To Deal With USSR Debt in Trade

#### Clearinghouse System Unchallenged

36170045 Helsinki *HELSINGIN SANOMAT* in Finnish  
17 Jan 88 p A26

[Article by Heikki Arola]

[Text] A work group of the Finnish-Soviet Economic Commission will start to discuss new payment arrangements for current trade in the spring. The purpose is not to discard the present bilateral clearing system but to seek ways to supplement it.

It was agreed to appoint the payments work group when the commission chairmen met in Tbilisi last autumn. The work group will be officially appointed in early March when the commission meets in Moscow.

The work group was supposed to have begun its chores last year, but it did not because the Soviet side was in no particular hurry to appoint its delegates.

The Finnish delegates have already been appointed and are led by Pentti Uusivirta, a member of the Bank of Finland board of governors. Also represented are the Export Guarantee Institute and Export Credit, Inc.

The Soviets wish to avoid overhastiness is understandable. They generally assert their satisfaction with the clearing system. In Finland, on the other hand, pressure has grown to supplement or reform the system because the constant surplus means in practice that the Soviet Union is granted interest-free credit.

The payments work group becomes a permanent work group subordinate to the economic commission. The idea is to let it solve problems concerning payments and payments systems as they turn up.

The group does not have a very precise picture of its task at this stage. The task is generally defined as investigation of payment systems to supplement clearing and as elucidation of the possibilities for free-currency trade.

The work groups's first concrete assignment may be to explain how clearing transactions could be diversified by granting credit. Current business transactions do not involve the granting of credit.

Credit could be granted for an individual deal or project, or it could also occur through the Bank of Finland. In the manner of normal international trade, however, the granting of credit should include interest and the opportunity to protect oneself from exchange-rate risks.

The inclusion of credit in business deals does not mean a transfer to free-currency trade, but would be a step in that direction.

Besides assuring exporters of interest and exchange-rate protection, it would also improve, for example, the competitiveness of Finnish shipbuilders, because the purchase of ships in international trade almost always involves an arrangement for granting credit.

If the work group's labor proceeds without a hitch, it may be possible to start applying its findings as early as this term, or in trade during 1989 or 1990.

The introduction of credit will have no long-term significance for balance-of-trade problems, but it could somewhat reduce the instability caused by the price of crude oil.

Projects on the Kola Peninsula and current problems of border trade will probably also be discussed at the next meeting of the economic commission.

The exploitation of mineral resources on the Kola Peninsula has been talked about for many years and, as matters now stand, plans will not be implemented until the 1990s, maybe the latter part of that decade.

The economic commission has a work group which has discussed the Kola Peninsula and which has outlined possible joint projects for Finland and the Soviet Union. Several big projects have emerged.

The commission may decide in Moscow whether the work group should continue or whether discussions of the Kola Peninsula should be shifted to business firms themselves. Outokumpu has been especially interested in the possibilities of the Kola Peninsula.

The Finns want to get straight who in the Soviet Union currently handles border trade and with what authority.

Finnish firms that conduct business on the border previously had only one counterpart, Lenfintorg, which operates in Leningrad. The arrangement has become much more complicated now that Estonia, Latvia, Lithuania, the Ukraine, and the Russian Federated Republic have all received the right to engage in foreign trade.

The Finns want to have clear what these rights involve. There is confusion in the areas of merchandise assortment and business transactions.

In recent years, the combined total of border imports and exports has stayed at about 80 million rubles, or a good 500 million markkas.

#### Central Bank Chief Comments

36170045 Helsinki HELSINGIN SANOMAT in Finnish  
17 Jan 88 p 30

[Article by Juhani Aromaki]

[Text] Bank President Pentti Uusivirta came to the Bank of Finland in the spring of 1973, among other reasons, to monitor the bank's clearing account through which payments of Finnish-Soviet business transactions were handled. The oil crisis which had just then erupted—the OPEC price cartel—gave a boost to trade with the Soviet Union.

In the early 1980s, Finnish trade with the Soviet Union rose to what under the present circumstances is the unrealistic and artificial level of 25 percent. The currently tottering dollar and the oil-price collapse have reduced trade with the Soviet Union to the 15-percent level.

"When agreement was reached a few years ago on an average price of \$28 per barrel of oil, opportunities arose to do business. The Soviet Union had a great desire to buy things, just as it does now—and the Finns wanted and still want to sell and export," says Pentti Uusivirta.

According to the present so-called bilateral system, however, the Soviet Union can purchase from Finland only the equivalent of what it exports to Finland.

The bank president is disturbed by the smoke bombs which are nowadays flung into the audience. "I'm a member of both the commission and many advisory committees, of which there are plenty. All of us are looking for new possibilities. We speak frankly with the Soviets about the facts, and they know that we don't have any abracadabra magic tricks up our sleeves," observes Pentti Uusivirta.

The oil-price trend, which was seen several years ago, is the cause of our present problems. It was not what we hoped for. It was just so difficult to accept then.

This year an attempt will be made to keep the volume of Finnish-Soviet trade at the current level. The trade volume has been calculated on the basis of a price of approximately \$18 per barrel. Now, however, oil is sold at under \$16.

Let us calculate. If, for example, Finland imports 10 million tons, or roughly 70 million barrels, of Soviet crude oil, then oil that is cheaper by a few dollars a barrel would reduce the potential for Finnish earnings by 560 million markkas.

There is also an agreement to import an additional 4 million tons of so-called intermediary oil. It remains to be seen whether this intermediary oil, intended for other countries, can be marketed at the price offered. The situation is thus very precarious.

A special account on nearly 300 million rubles has also been agreed upon. It is well-known that the clearing account has a 300-million-ruble range of variation, and as this has become a permanent credit balance in Finland's favor, the Soviet Union owes us 500-600 million rubles, or 3.5-4.0 billion markkas, at this stage. Of this, a couple billion markkas are interest-free.

This debt can no longer be increased. Finland is a capital-importing country, and we would always have to borrow money from abroad in order to finance our trade with the Soviet Union.

Other possible imports have been sought for years—and still are. The Finns have submitted several lists of merchandise they want. Negotiators often run through the list of wants, and sometimes they even get something from it. The Soviets know exactly what the Finns have wanted to buy for years: minerals, machinery, semifinished goods, and various raw materials. But the Finns have not gotten the articles they want.

Gold ingots? They would be suitable, too, but the Soviets do not sell their gold through Finland's clearing account but mainly in Zurich. There the Soviet Union gets the Western currency it needs.

Does the bilateral system excessively restrict trade with the Soviet Union, and should the system be abandoned? If the bilateral system were abandoned, we would have to

compete more energetically with Western countries in Soviet markets. Eighty-five percent of Finnish exports goes primarily to Western countries, where we are able to compete.

Some of our current exports to the Soviet Union would certainly drop off; some we would certainly retain. The heavy-metal industry with its shipyards hardly wants to abandon the bilateral system, which gives a very important boost to business every 5 years.

The current bilateral system has its defenders in both Finland and the Soviet Union. It must always be remembered that this is commerce between two countries, not just Finnish commerce. The system will be continued as long as both parties consider it sensible. High-level and less high-level Soviet officials have said that they want to preserve the current system.

The clearing account is good, but we cannot continue to generate trade through it. The current system does not prevent direct trade with convertible currencies. Bypassing the clearing account, the Soviet Union can now purchase goods directly from Finland with currency. To some degree—under 10 percent—this trade is now being conducted, and the Bank of Finland puts no obstacles in its path.

Matters should also be considered from the Soviet viewpoint, however. Finland has an enormously large share in the Soviet Union's foreign trade. It is, of course, up to the Soviets to decide whether they will buy, with their currency, high-class goods from France, Finland, the United States, or the Federal Republic of Germany. We naturally hope that the Soviet Union would make more and more purchases from Finland with hard currency.

It is very difficult to imagine how, with current oil prices, we could achieve a trade level higher than it is now. We are approaching the limits [of our clearing-account trade with the Soviet Union] and we will have to exert ourselves just to preserve the current level.

A restructuring, perestroika, is now under way in the Soviet Union. Altogether, 70 ministries and foreign trade organizations have received the right to conduct foreign trade independently. Perestroika will certainly create new opportunities for Finland as well. New Soviet legislation also permits the establishment of joint enterprises. These projects are being developed. I foresee only a long road and hard work—no prestidigitation.

The problem of cheap oil in Finnish-Soviet trade will not be eliminated quickly. Is there a desire to continue the bilateral system for the time being? Finland is willing to sell directly for currency the high-class products wanted by its neighbor, but the Soviet Union badly needs the currency elsewhere for its Western trade.

Finland's list of wants gets longer. Finland could immediately buy from its neighbor at least 700 million rubles worth of goods, which the Soviet Union does not want to sell, however. The Soviets themselves need the goods or sell them to other Western countries to get currency.

Perestroika may give rise to new ideas—at least General Secretary Mikhail Gorbachev hopes so in his book "Perestroika and the New Thinking":

"Every time I meet industrial workers or even cabinet ministers, I say to them: 'Don't flinch. Seek out and experiment with the relevant factors.' People are so intelligent and responsible that now we can and must act courageously, confidently. Suppose we make mistakes. So what? It's better to correct them than sit around and wait."

#### Search for Convertible Currency

36170045 Helsinki HELSINGIN SANOMAT in Finnish  
17 Jan 88 p 2

[Editorial: "The Shackles of Trade With the Soviet Union"]

[Text] The familiar, basic principle of Finnish-Soviet trade for over 30 years has been that imports and exports must always be balanced in both countries' ledgers over a 5-year period. If a balance is not achieved for one reason or another, the difference cannot be transferred to convertible currencies. It becomes a loan to the other, until a balance is reached.

In recent times, Finland has regularly come out on the losing end. At this moment, the Soviet Union owes us 3.5-4.0 billion markkas' worth of goods. It now pays interest on part of the debt, but a couple billion markkas are interest-free credit. It is the common view of both countries that this path is overtrodden. The debt must be removed from the balance sheet during the next few years. In practice, this means a corresponding reduction in Finnish exports.

An attempt has been made by another route to correct our trade imbalance, which has become more and more permanent: Finland has been turned into an intermediary seller of Soviet oil. In this way, too, the world-market price of oil has become an uncertainty factor in trade between our countries. The balance of bilateral trade and the clearing payment system rests on increasingly artificial arrangements. The purpose as such is good: keeping the trade level as high as possible.

It has been customary to view the current system as so sacred that discussion of its weaknesses was virtually nonexistent in official quarters. It is therefore interesting that two Bank of Finland representatives have dared to tackle the problem in public: bank president Pentti

Uusivirta, elsewhere in this newspaper, and Kari Holopainen, chief of the division for trade with the Soviet Union, is a survey by the Pellervo Economic Research Institute.

Both say it is good to continue the clearing system. Many fields, such as heavy metal, consider its preservation a vital necessity. According to the two representatives, however, trade cannot be generated in the desired way through this system.

"If there is no desire to subject the bilateral trade system to public debate," writes Holopainen, "there is reason to ask whether the system in its present form is suited to its purpose." Holopainen points to the interest-free clearing surplus as a significant cost factor, to protection of the credit balance's value from possible changes in the ruble's exchange rate, and to the Soviet Union's ambition to alter its foreign trade.

For example, will the newly emancipated Soviet firms be willing to sell their products to Finland against clearing payments if the alternative is to sell them for convertible currencies elsewhere and keep part of this currency for themselves? There is the obvious danger that the best and most sought-after products will be sold for convertible currencies. Various payment operations and the granting of credit for compensation projects and joint enterprises seem to work best in convertible currencies.

At any rate, the use of convertible currencies in trade with the Soviet Union has begun to increase. Yet unnecessary political modesty appears to obstruct frank discussion of the clearing system's problems. Even though the Soviet Union will hardly make swift changes in the direction of free currencies, the trend is clear. Finland has reason to keep an eye on developments and make sure that we do not drop out of the A-group in the Soviet Union's trade policy classification.

12327/12232

## FRANCE

### High Unemployment, Slow Growth Predicted for 1991

35190036a Paris *LIBERATION* in French  
28 Jan 88 p 12

[Article by Philippe Boulet-Gercourt]

[Text] What will France look like by the end of 1992? It will have 3.2 million jobless, an annual growth rate of 2.3 percent, a foreign trade surplus, and more prosperous and competitive companies, but at the cost of a stagnation in wages. These are some of the predicted results of a 5-year projection by the OFCE (French Observatory of Economic Trends).

In 1988 France, like its neighbors, will be looking toward the United States, whose economic situation will continue to influence the rest of the world. As for American growth, the OFCE is sticking to its forecast of last September: zero percent. At the time, the announcement of zero growth made people laugh (or shriek, depending on the audience). Since the crash, nobody is laughing anymore. The OFCE is even gloomier for 1989: -1.5 percent growth in the United States, a rate attributed to the need to correct the enormous external and internal deficits. According to the OFCE, the consequence will be that "international competition will be grappling with a slowly growing world trade." So right from the start in 1988 France will have to keep on tightening its belt eating beans in the area of foreign trade: the OFCE predicts a Fr 40 billion trade deficit, 15 of which is in industry. However, "beginning in 1989, the deficit will gradually fade and give way to a slight surplus by the end of the period," that is in 1992. Growth will be poor in 1988 (+1.5 percent), but pulled up by exports as of 1989 (+2.3 percent per year).

After the good news comes the bad—and in the forefront is employment and unemployment. On average, employment in the nonfarm commercial sector will grow by 0.4 percent a year between 1987 and 1992, which represents an increase of 300,000 jobs, including 180,000 professional trainee positions. But that is not enough to absorb the increase in the working population: if future governments were to spend Fr 2.5 billion more in unemployment compensation than the current government does, there would be 3,170,000 job seekers by the end of 1992. If, however, payments remain at the 1987 level, France will have 3.5 million jobless by the end of 1992.

It is wage earners who will pay for the improvement in France's accounts, the OFCE believes—and not just the ones who unsuccessful at the ANPE [National Employment Agency]. In its projections, the institute once again gives credence to the famous "Phillips curve," which, very roughly, draws an inverse relationship between the level of wages and unemployment. Gross wages will increase moderately (+0.2 percent in 1988, and +0.3 percent on average in subsequent years). The share of wages and profits in the value-added will continue to shift in favor of profits and to the detriment of wages, as has been the case since 1983. The logical consequence is that the outlook for companies will improve. Productive investment in particular will grow in volume by 5 percent a year after 1989.

In its overall forecasts the OFCE dealt in detail with one area which will be at the heart of economic policies in the coming years: social welfare. If no new measures are taken, the social security deficit will rise to 156 billion francs by the end of 1992. Their accounts must therefore be brought back into balance. And that will have an impact, according to OFCE estimates: "first and foremost on unemployed and retired persons, whose per capita purchasing power will shrink by 0.9 percent a year



on average; next on wage earners, whose net wages will diminish by 0.4 percent a year; finally, to a lesser degree, on households (...)" The lean period is just beginning.

09805/7310

**Executive Restructuring at Thomson-CSF**  
*35190036b Paris L'USINE NOUVELLE in French*  
*14 Jan 88 p 21*

[Article by Jean-Pierre Casamayou]

[Text] The beginning of the year is an opportunity for Alain Gomez, CEO of Thomson-CSF, to revamp his organizational chart. This reorganization is needed as a result of the transfer of commercial operations (CGR to General Electric and semiconductors to SGS-Thomson) and to cope with developments in the arms market.

Operations in the field of "electronics and defense systems" account for virtually all Thomson-CSF's activities (about 32 billion francs in 1987) and 45 percent of the Thomson group. "I have put Thomson-CSF in battle dress to engage in the deadly combat on the world arms market," its CEO declared recently.

To win these battles, Alain Gomez is betting on Jean-Francois Briand, appointed managing director to replace Alain Bougault, next to Henri Starck. The former director of the "systems and arms" branch (BSA), Jean-Francois Briand is the man who put together the fabulous Al Thakeb anti-air defense contract in Saudi Arabia. This contract ensures steady work for the branch (Fr 12 billion). He is also the one who surprised the specialists by offering the Liberty anti-air defense system to the American army well after his competitors. Regarded by technical experts as the winner of the competition, this system which Jean-Francois Briand fought for was not used because of its cost.

In his new post, Jean-Francois Briand will be responsible for Thomson-CSF's international operations and a strike force: He is keeping with him SODETEG [Technical Studies and General Enterprises Company] and its subsidiaries. Also in the works are several contracts with the Middle East and the United States, and another "contract of the century" with Saudi Arabia for submarines. These negotiations should remind him of when, upon leaving Naval School, he was making his first dives at the command post of the famous type VII U-boats recovered from the Kriegsmarine.

Noel Clavelloux is his successor at the head of the BSA. The former head of Thomson-Sintra—the submarine branch—is incorporating his enterprise into the BSA. He is seeing a reward for the good performance shown by Thomson-Sintra throughout the world. The last successful job was supplying sonars to eight Dutch Navy frigates. His battle horse will be the new-generation anti-air system developed with Aerospatiale.

There is also a change in the "aviation equipment" branch (BEA): Jacques Savoyen, the 62-year-old director of the branch and CEO at Thomson-Lucas, has been appointed managing director. It is Jean-Robert Martin, former CEO of Cimsa Sintra (a subsidiary of the branch entitled "systems of detection, control and communication," still headed by Bernard Cambier) and managing director of the BEA, who succeeds him. The first job of this aviation expert with a degree from the University of California will be to integrate the Omera "radar" operations that TRT just transferred to Thomson. His main concern will be to provide French fighter planes with effective radar systems.

This new team will have to cope with the upheavals on the arms market: a growing scarcity of large contracts and a new thrust in the Middle East towards industrialized countries. For the time being, the situation is good: the 1987 volume of business should be up, with orders equivalent to 2 operating years. As for profits, they are growing at the same rate as in 1986 (+10 percent), or Fr 2.5 billion for Thomson-CSF Finance. This will not prevent Alain Gomez, who abolished 2,400 jobs in 1987, from keeping a firm hand on the helm of Thomson-CSF.

09805/7310

## ITALY

**Investments Abroad Double Those of Foreigners**  
*35280096a ITALIA OGGI in Italian 27 Jan 88 p 22*

[Article by Marco Zatterin]

[Text] Rome—The Italian industrial structure is vigorous, and oriented toward expansion abroad. In 5 years we have invested in foreign countries more than twice the amount that foreigners have invested in our country. This means that the real situation of the economy has changed significantly—and Carlo Azeglio Ciampi, governor of the Bank of Italy, said so quite plainly to the more than 100 businessmen who had come to Rome to consider new opportunities for investment in Italy but also to find out just how Italy came to be the base for an operation such as that cried out by Carlo De Benedetti in Belgium. Ciampi explained that the Italian firms have increased productivity, reduced costs, improved their products, and opened up new horizons.

It was as if he wanted to say that here in Italy there are many little De Benedettis who—taking advantage of the economic recovery—have developed solid relations with those very countries that only 10 years before they were asking for help to sustain the economic recovery.

In opening the second working session of the "Round Table With the Italian Government," the Bank of Italy governor spoke about Italian industry to the foreign businessmen, giving them to understand that the risk of investing in our country has decreased. In his opinion the basic conditions of the economy have in fact

improved appreciably, even though the extent of the recovery has not yet been evaluated. This was a point on which the other speakers also agreed, namely Minister of the Treasury Giuliano Amato; Confindustria [General Confederation of Italian Industry] president Luigi Lucchini; Confagricoltura [General Confederation of Italian Agriculture] president Stefano Wallner; Minister for Scientific Research Antonio Ruberti; Minister of Industry Adolfo Battaglia; Minister of Finance Antonio Gava; and Minister of Foreign Affairs Giulio Andreotti.

In Ciampi's opinion, the weak points in our economic picture are obvious. Public spending must be re-evaluated, and its rate of growth reduced.

It is urgently necessary to limit the budget deficit and also the amount of the debt in proportion to the GDP, giving priority to the objective of eliminating the deficit except for the interest payments. It is essential to sustain industrial growth, especially through utilization of the new technologies and through expansion abroad—and to strive to have the credit and financial system arrive at the year 1992 with all its books in order.

The year 1987, however, was a year "that on the whole can be said to have yielded positive results. It can be estimated," Ciampi continued, "that real income grew by 3 percent, while the rise in prices was 1.5 percentage points below that of 1986. The current accounts of the balance of payments closed in equilibrium despite the fact that the benefits deriving from the drop in oil prices—and from a growth in domestic demand greater than in the other industrialized countries—had been exhausted."

On the other hand, the governor noted, "unemployment rose to 12 percent despite the fact that 150,000 new jobs were created," while the government deficit "was more than 10 trillion lire above target, even though it was reduced in relation to the GDP. The national debt has now overtaken the national income," he added.

It must therefore be recognized, Ciampi said, that although "the national product and productivity have improved," that fact does not cancel out the "weak points in the private enterprise system itself and in particular the largely unresolved structural imbalances in the public sector." However, criticism was also directed toward the private sector, whose firms are guilty of not having done much to stimulate employment and—even while improving product quality—of having maintained production capacity at a stationary level, thereby "running the risk of limiting demand."

Are the private firms therefore central to everything? The businessmen say "yes," and their president, Lucchini, declares that "the near-term future of our country must be characterized as an area of entrepreneurial risk." Minister of Industry Battaglia, on the other hand, has in mind a program of basic intervention, and is

promising a plan to identify the priorities for intervention that are based on the unification of various markets. It is essential to improve the market, he said, beginning precisely with the elimination of bureaucratic red tape, so as to impart greater efficiency to public services and protect competition. "This plan," he concluded, "will give rise to parliamentary bills, and we are already at work on them."

10992/9738

### **Fiat Reports 30 Percent Growth for 1987**

35280096c *ITALIA OGGI in Italian 30-31 Jan 88 p 23*

[Article by Edmondo Rho]

[Text] Turin—Fiat is often accused of being "too big for Italy and too small for the world." But the vision of Giovanni Agnelli—expressed in the traditional letter to the stockholders—is exactly the opposite. Fiat "holds positions on the international scene that are already superior to those of any other Italian group, and are certainly among the strongest in Europe," the president writes. The figures of the preliminary balance sheet are set forth to demonstrate this thesis: consolidated sales—excluding intergroup trade—increased to 38.1 trillion lire in 1987, up 30 percent from the 29.3 trillion of the previous year and 10 percent on a homogeneous basis (that is to say, without taking into consideration the consolidation of Alfa Romeo, Snia Bpd, and other smaller companies), while sales abroad were more than 18 trillion lire (almost 50 percent of the total), approximately 13 trillion of which were sales in Europe. The Fiat group operates in 50 foreign countries, with 415 companies and 60,000 employees (out of a total work force of 274,500—over 44,000 more than at the end of 1986); moreover, the inclusion of Alfa Romeo has brought with it an increase in the number of employees compensated by the Supplementary Fund from 2,978 as of 31 December 1986 to 10,800 as of the end of 1987.

The other principal figures in the preliminary balance sheet also indicate the excellent state of health of the Fiat group: the operational result is 3.2 trillion lire (compared to 2.4 trillion in 1986), which is equal to 8.4 percent of sales—the same as the preceding year. Investments increased from 2.8 trillion lire in 1986 to 3.2 trillion in 1987, to which is added 1.3 trillion for research and development: the overall commitment is equal to 12 percent of sales, "a level," the letter says, "which is among the highest in the world. Ours, however, is not a triumphal message," Agnelli observes. "The outlook for the short and medium term presents us with new and more difficult commitments." The reference is precisely to the uncertainties of the international economic picture in 1988, with the outlook for 1989 being perhaps even more critical; in this context, Fiat says, the growth of the Italian economy appears destined to slow down. And 1992 is not far away, at which time the last barriers in Europe will fall, with the consequent intensification of

competition. Agnelli says, however, that Fiat "faces this prospect—in the principal economic sectors—from positions of strength in Europe."

Agnelli's letter emphasizes that the profitability of the Fiat group has improved. "Both from the economic and from the financial standpoints," he says, "we have been able to absorb the new acquisitions, which however did pose serious problems for us with respect to productivity and industrial readjustment." The successes achieved in this regard relate primarily to a Romeo, whose "European image is being revived" with the "164" model. Moreover, the Iveco-Ford U.K. agreement was strengthened, and the Marelli-Carellio-Lucas agreement with respect to component was signed. The year 1987 also saw the acquisition of the French Huron Graffenstaden by Comau, and of the Spanish Hasa Huarte by Fiat-Impretis.

The situation of the Fiat group has improved from the financial standpoint as well: the level of self-financing reached 4.3 trillion lire in 1987, equal to 11.4 percent of sales (the 1986 figure was 3.9 trillion). Net financial indebtedness—which was 706 billion lire at the end of 1986—declined to approximately 150 billion as of 31 December 1987; this was achieved despite the fact that the consolidation of Alfa Romeo and Snia Bpd at the beginning of last year caused the indebtedness to peak at 2.7 trillion lire. The Fiat group accordingly generated resources of more than 2.5 trillion lire during 1987.

In short, Agnelli's message is clear: last year the Fiat group generated a surplus of 6.3 trillion lire for the Italian trade balance, compared to an overall negative trend for the nation. For 1988, he says, the goal is "to participate in the further strengthening of the Italian and European economy in accordance with the rules of the market economy, which in the end reward excellence."

#### Positive Results for the Other Sectors as Well

Turin—"Ours is not a triumphal message," Giovanni Agnelli felt impelled to observe, contrary to what one might have been led to believe upon reading some of the figures in the report sent to the stockholders, beginning with the flagship company Fiat, Inc., which in 1987 recorded a profit for the fiscal year of around 800 billion lire (compared to 612 billion in 1986). A noteworthy contribution was made by the dividends from the subsidiary companies—which increased by 80 percent (from 379 billion lire in 1986 to 677 billion in 1987)—and by the net proceeds (950 billion lire) from the investment of liquid assets. The equity shares held by Fiat, Inc., increased by approximately 1.9 trillion lire, to a total of 6 trillion lire.

Automobiles: Consolidated sales, 21.6 trillion lire, up very sharply from 1986 (16.3 trillion); investments, 1.9 trillion lire (80 billion less than the previous year); work force, 134,583 (98,976 in 1986). It was—as we know—

an excellent year for the automobile sector, as confirmed by the figure for the total number of vehicles sold (Fiat, Alfa Romeo, Lancia): 2 million units.

In the European market—which grew by 6 percent—Fiat's penetration increased from a 14.1 percent share to 14.3 percent. The Italian domestic market—which grew by 8 percent—is dominated by the Turin firm with a 60 percent share (75,000 more units sold than in 1986). The performance of the Lancia was brilliant: 200,000 motor vehicle registrations (up 13.5 percent over 1986) and a 10 percent market share, putting it in second place among the competing makes. The results for Alfa Romeo are adjudged to be "positive," thanks mainly to the "164."

Industrial Vehicles: Consolidated sales, 6.7 trillion lire (5.4 trillion in 1986); investments, 315 billion lire (159 billion in 1986); work force, 38,880 (36,053 in 1986). In 12 months the market rose by 14 percent, to 425,000 units.

Iveco sold 117,800 units (up 25 percent), and including the franchised companies 124,000 units (up 30 percent). Its penetration of the European market also increased: from a 16.4 percent share to a 19.6 percent share. In Italy, Iveco sold a total of 42,476 units (up 14 percent).

Tractors and Earth-Moving Machinery: Consolidated sales, 2.6 trillion lire (2.7 trillion in 1986); investments 100 billion lire (81 billion in 1986); work force 15,389 (16,356 in 1986). There was a worldwide decline in demand that did not spare Fiat and that served as an incentive for unification of the sectors. Since January 1988 the flagship company Fiat-Geotech, Inc. (technology for agriculture, home office in Modena) has been conducting business.

Metal Products: Consolidated sales, 1.2 trillion lire (1.8 trillion in 1986); investments, 154 billion lire (78 billion in 1986); work force, 11,781 (11,780 in 1986). Teksid experienced an overall increase in sales (expressed in tonnage) of 7 percent.

Vehicle Components: Consolidated sales, 2.6 trillion lire; investments, 280 billion lire; work force, 28,476. This sector—formed last year—reorganizes the Group's activity in the components field. The flagship company is Marelli Magnetos, Inc.

Industrial Components: Consolidated sales, 1.04 trillion lire; investments, 85 billion lire; work force, 8,247. This too is a new sector, and is part of Gilardini. Products and components for the motor-vehicle sector account for 50 percent of sales; components and systems for energy and industry, 25 percent; and products and systems for defense, 25 percent.

Lubricants: Consolidated sales, 385 billion lire; investments, 10 billion lire; work force, 626. Sales up by 7 percent; holds position of leader in the market.

Means and Systems of Production: Consolidated sales, 905 billion lire (784 billion in 1986); investments, 23 billion lire (22 billion in 1986); work force, 4,971 (4,231 in 1986). This sector recorded strong growth in earnings; brilliant sales by Comau; and important orders obtained from abroad.

Civil Engineering: Sales, 527 billion lire (599 billion in 1986); investments, 19 billion lire (18 billion in 1986); work force, 2,003 (2,397 in 1986). New orders for Fiat-Impresit totaled approximately 3.1 trillion lire (up 40 percent).

Railway Products and Systems: Sales, 214 billion lire (170 billion in 1986); investments, 7 billion lire (6 billion in 1986); work force, 1,409 (1,155 in 1986). New contracts signed with the State Railways (high-speed) and Milan subway system.

Aviation: Sales, 639 billion lire (613 billion in 1986); investments, 59 billion lire (46 billion in 1986); work force, 4,660 (4,526 in 1986). The design studies for the future European fighter aircraft are continuing.

Telecommunications: Sales, 660 billion lire (555 billion in 1986); investments, 44 billion lire (36 billion in 1986); work force, 5,394 (4,933 in 1986). Foreign sales account for 32 percent of Telettra's total sales. New agreements were reached in Mexico, Argentina, and Spain.

Publishing: Sales, 329 billion lire (275 billion in 1986); investments, 14 billion lire (11 billion in 1986); work force, 1,350 (1,317 in 1986). LA STAMPA's sales increased by 16 percent. Advertising increased by 11.6 percent, to 81 billion lire. Publikompass had sales of 162 billion lire (up 19.3 percent).

Snia Bpd Group: Sales, 2,299 trillion lire; investments, 172 billion lire; work force, 15,137. The defense market (Ariane program and ESA [European Space Agency] projects) was stable; the fibers market recorded a moderate expansion; and the balance sheets for the chemical sector (Caffaro), textile sector (Olcese), and bioengineering sector (Sorin Biomedica) were favorable.

Financial and Real Estate Services: 776 billion lire in the portfolio of Fidis (358 billion in 1986). The funds held down second place in Italy with Primegest (7.2 trillion lire of assets managed).

10992/9738

### **Fiat Automates Factory Without Layoffs**

35280096b LA REPUBBLICA in Italian 27 Jan 88 p 8

[Text] Rome—"Until today, 900 automobiles per day were produced by the Fiat plants at Cassino. With the advent of the Tipo, however, production will jump to 1,800, accompanied by a work force only slightly greater than the previous figure of 7,000 and by a technological conversion that is without precedent." With these words

Vittorio Ghidella summed up in incomparable fashion the strategic revolution that proceeded the birth of the new Fiat automobile. "Cassino," he added, "is now the most modern assembly plant in the world, just as Termoli was for motors."

Built in 1972 on the basis of a pro-South decision that was supposed to remedy in part the damage provoked by the excessive concentration of Fiat's production in the Turin area, the Cassino plant is in this way preparing to live a new life after being transformed into an advanced laboratory of Fiat technology. Its assembly lines have until now been turning out the Ritmo and Regata models; with the retirement of the Ritmo, the plants have been converted to produce the "car of the 1990's."

What was viewed yesterday in the films that accompanied the speech by engineer Ghidella suffices to give an idea of this great change: a massive utilization of robots, almost to the point of attempting to eliminate the human presence in one area—the assembly line—which heretofore had appeared to be the most resistant to automation. One almost has the feeling that machines have completely replaced human beings, whose presence does remain but is now a more modest one. In short, the robot has eliminated the image of the "damned" from the assembly line, transforming the blue-collar masses into white-collar technicians.

"We have automated 50 percent of the assembly process," the managing director of Fiat Auto explained. "Compared to the previous zero, that represents light-years of progress. Above all, however, it means that the most fatiguing operations have been eliminated and that a high degree of efficiency and quality has been achieved. With this massive conversion of the Cassino complex, 80 percent of the overall production of Fiat automobiles has been automated."

But does not this quality leap forward in the conception and production of a motor vehicle perhaps mean the disappearance of the traditional worker—and therefore the danger that relations with the labor federation will be worsened? The question is inevitable, and Ghidella answered it by citing the fact that "the number of employees at Cassino has not decreased. For every robot," he added, "there are three or four technicians who program it, nurture it, care for it, and provide for its maintenance."

He pointed out that in the past Fiat's labor relations had been the worst, in comparison with those countries in which its direct competitors operate. Things are significantly better today, Ghidella says, in that the unions have realized the importance of this impressive conversion "that has transformed the assembly-line worker into a manager of a much more complex system."

Currently in operation at Cassino is the greatest concentration of robots, automated devices, sophisticated equipment such as telecameras for visual tests, automatic geometrically controlled machinery, holographic and power lasers, and self-propelled and wire-guided trolleys. It is a complex apparatus controlled by computers and designed to perform a series of tasks that were formerly performed by human beings. The films show robots beginning—and completing—the process of stamping car doors, and undertaking specialized activities such as controlling all buttons installed on the vehicle's dashboard and filling its tank with gasoline during its initial servicing.

One year of work was required for the conversion of the Cassino plants, taking into account the fact that some innovative processes had already been tested. This "revolution" had a cost, which Fiat naturally intends to amortize—but how? "By running the plants at full capacity," Ghidella replied. "These are machines that precisely because of their complexity and their function cannot be shut down." What comes after Cassino? The transition is inevitable. All the other Fiat plants will experience the same fate: that is to say, will undergo this gigantic technological "makeover."

10992/9738

## ITALY

### Poll Shows Conservative Youth

35280098 Rome L'UNITA in Italian 29 Jan 88 p 5

Article by Luca Fazzo]

[Text] He likes sexual freedom, listens to rock and Claudio Baglioni, and does not condemn those who ride the tramway for free. On the other hand, he dislikes foreign immigrants, homosexuals, and politics, and shows a certain interest in reinstating the death penalty. He is the young Italian between 15 and 25, according to a study conducted throughout Italy by the McCann Erickson Advertising Agency. But is this a true picture?

Here we have the Italian who will be 30 in the year 2000: examined and dissected in minute details with all his hopes, ambitions, and fears. Is it a faithful picture? The McCann Erickson Advertising Agency which conducted the survey swears that it is: The answers were given by 1,046 youths spread throughout 48 towns and cities in the Italian peninsula, a representative sampling of their peers according to sex, education, and social extract. The McCann agency supplemented the questionnaire data with the results of interviews with a more limited sampling, 64 youths which were met in the presence of psychologists in Milan, Ferrara, Roma and Patti to add depth and motivational reasoning to the questionnaire responses.

The McCann study is impressive because of the variety of subjects—the youths “from 15 to 25 years of age” who answered questions on material and moral values, parents and marriage, AIDS and friendship, music and sports—were confronted with. And the answers? Many answers were predictable, some a little more unexpected, and others outright surprising, and the surprises were not always pleasant ones.

For instance, theoreticians of the “end of ideologies” will be happy: young Italians say they give no importance not only to ideologies but also to ideals (73 percent). Given this fact, it goes without saying that the primary preoccupation is one's own personal future (66 percent), particularly a career (58 percent). Likewise, social action is the vocation of a slim minority: 8 percent is active in religious movements, 4 percent in volunteer assistance, 3 percent in ecological/environment movements, and only 2 percent in political parties. Organized labor activities are unheard of; but only 20 percent of the interviewers work.

The majority (68 percent) feels that Italy should limit immigration from abroad; even more (74 percent) are convinced that the unemployed would find work if they really looked for it. Almost half (41 percent) wishes to reinstate the death penalty, and a substantial portion (20 percent) is definitely in favor of suspending aid to the Third World, and the vast majority (78 percent) morally condemns homosexual activity.

In short, young Italians seem intent on celebrating the death of 1968 rather than its 20th anniversary. However, the majority, especially the girls (5 percent), consider sacrifices imposed by family life intolerable, and 61 percent feels that marriage does not play a role in a couple's happiness. Women should earn as much as men (89 percent of the men) and men should do house chores. However, here, the percentage of males is lower (56 percent) and the percentage of those who actually help with house work regularly is even lower (7 percent). Sexual freedom (although strictly heterosexual) is taken for granted and being a virgin until marriage is important only for 1 out of 4 girls. The battle which left consistent marks is the ecology battle: 98 percent want more laws defending the environment and 59 percent want all nuclear power plants closed as soon as possible.

13313/12232