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CONTENTS

THEATER FORCES

FEDERAL REPUBLIC OF GERMANY

- New Generation of Mine Warfare Ships Described
(Heinrich Schuetz; WEHRTECHNIK, May 83) 1
- Improvements in Kormoran Air-to-Surface Missile
(Georg Fietze; WEHRTECHNIK, May 83) 10

NETHERLANDS

- Spiegelenberg on Problems, Role of Air Force
(J. Spiegelenberg Interview; AARDE & KOSMOS, May/June 1983) 16

ENERGY ECONOMICS

FRANCE

- ERRATUM: Elf Congo Starts Exploiting Yanga Field; Senji Next
(L'USINE NOUVELLE, 10 Mar 83) 21

ECONOMIC

AUSTRIA

- Austria's Export Surplus With CEMA Countries in 1982
(FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT, 17 May 83) 23

DENMARK

- Agriculture Minister Satisfied With EC Price Pact
(Klaus Justesen; BERLINGSKE TIDENDE, 18 May 83) 25

Effects of EC Agricultural Price-Guarantees Discussed (Ib Christensen; BERLINGSKE TIDENDE, 18 May 83)	27
FRANCE	
Bank of France Predicts More Industrial Investment for 1983 (LES ECHOS, 26 Apr 83)	29
Insee Study Reveals Industrial Investment for 1982-83 (LES ECHOS, 15 Apr 83)	31
SPAIN	
Transition Economy Seen as Disaster (EL ALCAZAR, 18 May 83)	33
Fraga Launches Attack on Government Budget (Jose Maria Fernandez-Rua; ABC, 18 May 83)	36
Binding Arbitration Possible Bank Strike Solution (YA, 4 May 83)	38
Statistical Survey of Basque Savings Institution Assets (EGIN, 30 Apr 83)	41
SWEDEN	
Union Economists Concerned Over Unemployment as Upturn Starts (Lennart Ekdal; DAGENS NYHETER, 19 May 83)	43
P.O. Edin Sees Wage-Earner Fund as 1985 Campaign Issue (Per-Olof Edin Interview; 7 DAGAR, 13 May 83)	46
POLITICAL	
DENMARK	
Paper Raises Issue of CP Ties to East Germany (Editorial; BERLINGSKE TIDENDE, 17 May 83)	49
FEDERAL REPUBLIC OF GERMANY	
Membership, Influence of Parties' Youth Organizations (Rolf Pitsch; RHEINISCHER MERKUR/CHRIST UND WELT, 29 Apr 83)	51
FRANCE	
Budget Policies May Harm Franco-German Defense Ties (Dominique Moisi; LE MONDE, 6 Apr 83)	54

SPAIN

Del Campo Assesses 8 May Election Currents
(Salustiano Del Campo; YA, 10 May 83) 57

SWEDEN

New Documents Indicate Bahr Role Hurt Corridor Zone Chances
(Harald Hamrin; DAGENS NYHETER, 25 May 83) 59

MILITARY

SWEDEN

Swedes Start To Assess Latest Sub IncurSION Off Sundsvall
(Various sources, various dates) 63

Domestic Minisub Project Halted
Liberal Party Chief Comments
Sundsvall Sub Chase Operation Commander Profiled,
by Mats Gezelius
Sub Detonated Mines With Magnet Impulses,
by Christer Larsson

Defense Minister Anders Thunborg Gaining Stature in Post
(Eva Hamilton; 7 DAGAR, 6 May 83) 71

List of Foreign Subcontractors for JAS Issued
(Peter Bratt; DAGENS NYHETER, 25 May 83) 73

OCEAN ISSUES

FRANCE

Briefs
Largest Hyperbaric Caisson 75

NEW GENERATION OF MINE WARFARE SHIPS DESCRIBED

Bonn WEHRTECHNIK in German May 83 pp 42-51

[Article by Heinrich Schuetz: "Fast Mine Warfare Ship 343: The New Generation of Minesweepers Takes Shape"]

[Text] On 1 March of this year the Federal Office of Military Technology and Procurement [BWB] awarded the firms AEG-Telefunken in Ulm and MBB-Vereinigte Flugtechnische Werke in Bremen the contract for the definition of Fast Mine Warfare Ship Class 343 (short form: SM-343). Both firms will undertake the definition in competition with one another, while, however, the marine engineering definition work will be transferred to a common subcontractor—the newly formed study group formed for this purpose by the firms Schiffs u. Yachtwerft Abeking & Rasmussen, Fr. Luerssen Werft and Froegerwerft Rendsburg (ARGE SM-343). Awarding the definition work for SM-343 to industry was seen as a clear signal that the elimination of the old mine warfare ships, the life of which could no longer be extended arbitrarily over 20 years of service, was now seriously being approached with new weapons systems. In the following report, the project director for this program, Construction Director Engineer Heinrich Schuetz, discusses the basic planning considerations and introduces the boat.

The jump from the old to the new generation required a long approach run that began as early as 1974 in the responsible naval command staff committee and proceeded through such necessary and time-consuming intermediate steps as:

- 1978--the Directive of the Tactical Requirement for Minesweeper Class 343,
- 1980--the Directive of the Tactical Requirement for Minesweeper Class 332 (short form: MJ-332),
- 1980--the study "Basic Concept of the New Generation of Mine Warfare Ships",
- 1980/81--achievement of the "technical concept of SM-343" through the armament sector in cooperation with the firm MTG Marinetechnik and

--all the way to the Directive of Military-Technical Goal-Setting (MTZ) as the final-phase decision for Project SM-343 in 1981.

Three results of the studies and investigations of the first phases had a particular influence on the development of the technical and tactical concept of the new generation of mine warfare ships:

--For mine-laying and mine countermeasures--at least in the operational areas of the Federal navy--for the next 20 to 30 years, primarily conventional surface ships will be necessary. The tactical use and the technical concept of the new ships for the time being will have to be oriented on the proven weapons systems that are now in use. The necessary performance increases must be reached by further development and improvement of individual technical areas and components.

--The ships of the new generation must be equipped both for minelaying, that is, for the transport and laying of mines, and for minesweeping. The term that covers both these concepts is "mine warfare".

--The requirements and technical solutions for the two recently planned ship classes, SM-343 and MJ-332, are quite similar. In considering the advantages of standardization in development, construction and use of the ships, a unified ship design should be established for both classes. The term "standard weapon carrier" has been used for this concept.

In the following discussion, this thought will be clarified further and then some basic planning considerations will be derived. Attention has been consciously placed primarily on technical solutions, because for this purpose the results of the work of the two definers and the evaluation of these results by the armament section are expected.

The Basic Concept

When the Federal navy began about 2 years ago to formulate its requirements for the new generation of mine warfare ships, other navies were also considering replacements for their old minesweepers. The mutual exchange of information soon led to the conclusion, however, that because of special assignments, areas of use and requirements on the part of industry, solutions were being suggested that could not be accepted by the German side. The various interest groups stood out clearly in evaluating minelaying capacity and anti-aircraft capability. Both these characteristics played a subordinate role in almost all of the foreign plans, while in German planning considerations they belonged from the beginning to the factors that determined the design.

In the following years one then developed an independent concept for the new mine warfare ships of the Federal navy, a concept that differed clearly from those of the other navies.

This basic concept can be characterized by the following ideas:

Standardization

Standardization means that a ship must be planned that presents the common denominator of the tactical demands of SM-343 and MJ-332.

This plan—referred to from now on as "Common Plan SM-343/MJ-332"—is characterized by a high degree of standardization in main construction units 1 to 7 and by variable equipment for main construction section 8 (with corresponding effects on the other main construction sections). The hull, constructional equipment and arrangement, engine placement, electrical equipment, machinery, communication and navigation equipment as well as sensors and effectors for air and sea defense will be built in a very similar manner for both ship classes, while for mine warfare different equipment can be selected.

The advantages of standardization lie particularly:

--in the reduction of costs for development, testing, acquisition of places for training, measurements and testing, initial training and development of material basis and

--in the simplification or reduction of the cost of continuing training, supply of replacement parts and maintenance in the utilization phase, all of which finally lead to a greater availability of ships.

Flexibility

Flexibility means that the plan must be formed in such a way that installation or extension of the mine warfare equipment is possible within a short time and at a modest cost. A systematic depot maintenance plan is provided as the time frame for such a reconstruction. The flexibility requirement therefore requires a reconstructed friendly ship. For the planning engineer, this means that he must plan to a sufficient degree the weight, space, stability, solidity, ship construction fundamentals, E-capacity and simple mounting systems for all armament systems.

The advantages of flexibility lie primarily in the area of planning and tactics. However, positive effects for maintenance can also be expected.

Equipability

Equipability means that Common Plan SM-343/MJ-332 must not only be prepared in such a way that it provides for all mine warfare equipment but also provides growth potential beyond this for the installation of newly developed components or for midlife conversion.

Equipability, which goes beyond the maintenance reserve to be planned according to "Construction Regulation 1033 for Ships of the Federal Armed Forces," must be checked at the time the plan is made. This requires a knowledge of rough outlines or of raw data about future components.

For the new generation of mine warfare ships the demand for equipability is based particularly on two things:

--The increasing threat to ships from missiles requires in the 90s at the latest a shift to a defense system that meets the threat.

--The development of camouflage and of mines that are become more and more "intelligent" forces an increase in the performance of mine countermeasure equipment. The possibilities for this are seen today primarily in the area of mine hunter drones.

Equipability cannot, however, be planned as much as desired. One must consider in the plan that the limit cannot be crossed beyond which the ship operates under uneconomical conditions or has a weight distribution that is not optimal and leads to an unacceptable form of mobility.

Solidity

Solidity means that mine warfare ships are first and foremost working ships in which particular importance must be ascribed to qualities such as good seaworthiness, spacious platform, robustness and dependability in use, high shock resistance, short magnetic and acoustic danger depth and a low sonar disturbance level. These elements cannot be added at will to the equipment later. They must therefore be considered from the beginning in Common Plan SM-343/MJ-332, together with all the measures that are necessary for the security of the crew and for a standard of accommodation appropriate to the tasks.

The standardization, flexibility, equipability and solidity require readiness to compromise to a certain degree in some areas of the plan. In particular this is true where weight and price is concerned. However, the additional construction expenditures will be evened out again by the anticipated longer useful service of the boat--it is planned to have a useful life of more than 20 years. Thus with the Common Plan SM-343/MJ-332 for the new generation of the minesweeper vessels an economically advantageous solution was found that was also excellent from a tactical-planning point of view.

Equipment Units

The equipment necessary for mine warfare is presented on the next page. Each of the three units contains minelaying equipment. In practical terms, this means that when a ship carries out a mine countermeasure assignment, it must take its minelaying equipment along. On the other hand, the equipment necessary for the mine countermeasure role at hand must also be stored in the ship.

The Fast Mine Warfare Ship 343 will be equipped at the time of its commissioning with equipment unit Minesweeping/Minelaying (MR/ML). In this variant, the ship has two main assignments with the following priorities:

- Execution of minelaying operations (ML) and
- Simulation areas with towed equipment (MR).

Secondary assignments for the SM-343 are to escort through cleared channels and to locate mine dangers.

The armament variation Mine Hunter/Mine Layer (MJ/ML) is found in Mine Warfare Ship 332.

The equipment unit Magnet Skid Steering/Minelayer (HL/ML) can be used on both classes as desired.

In the two equipment units MJ/ML and HL/ML, minelaying is relegated to a secondary activity. The number of mines to be transported will be smaller in these variations than in MR/ML.

Each replacement unit is bound to a specific expenditure of manpower. With the integration of units in Common Plan SM-343/MJ-332, therefore, special considerations or solutions must be applied for each of the three variations of replacement units for the accommodation of the crew.

The extent to which the components of the replacement units can be contain-erized or palettized still has to be studied in detail. Initial plans for such solutions have been sketched in particular for diving equipment, line winch, mine hunter drone and electronic equipment to be set up in operational headquarters.

Decisions That Affect the Plan

In the concept of Project SM-343, decisions were made for the technical areas that will decisively affect the ship plan. Besides the replacement units for mine warfare already discussed, there are also:

Type of Current of the Main Network

After all nonmagnetic ships of the Federal armed forces are equipped with a direct current board network, the new mine warfare ships will get a three-phase current board network, the advantages of which lie above all in the area of logistics and economy. The decision for a three-phase current became possible when investigations showed that the danger to the ships from mines with alternating field ignition systems were considered to be small.

Raw Material for the Ship's Hull

Because of the high requirement for passive ship protection, only a non-magnetic material could be used. Possibilities were wood, glass-fiber-reinforced synthetic material (GFK) and non-magnetizable steel (NM steel). The selection of material was preceded in the conceptualization phase by experimental investigations and comparative studies. The NM steel (Material No 1.3964) proved to be superior in almost all technical qualities as well as for use in a mine warfare ship. From this came the positive experiences that had been collected in the meantime for this steel in the submarines of class 206 and in the construction of an experimental section for Fast Mine Warfare Ship 343. Some risks were still seen in the preparation of the

NM steel. They could be reduced to manageable proportions in the conceptualization phase by appropriate manufacturing experiments. The problem of the material tolerance between NM steel and other metals will be studied further in the definition and construction phase.

The reasons for the material selection have already been presented in detail in WT 12/80.

Antiaircraft Equipment

The operational area of Fast Mine Warfare Ships 343--the Baltic Sea--especially the ability to fulfill the minelaying mission, assumes that the ships have excellent antiaircraft equipment. To be sure, the available equipment has been limited from the beginning by a preset cost framework. To this it must be added that for ships of this type and size, the market for correspondingly suitable and technically more complicated systems is small. On the basis of this background, and with special attention to a balanced functioning of the whole system, the following equipment system was selected:

- Two guns, 40mm MEL, which can be obtained from Federal armed forces' supplies and which can be equipped with an automatic ammunition feeder, a faster firing rate and a water spray protective turret.
- A combined radar-search-fire direction unit which will be taken over from the Fast Patrol Boats Class 142 that are to be retired.

The equipment will be supplemented with:

- Two infrared guided firing stands,
- One chaff dispenser,
- Two decoy missile launchers,
- One radar warning receiver with classification components and
- One layout picture apparatus.

With this armament, all-around combat against aircraft and--as is also required--against sea targets as well as the deception of enemy radar and infrared sensors during day, night and bad weather is possible. This represents the necessary increase in defensive capability against air targets in comparison with ships presently in service in mine warfare.

Nevertheless, it is also clearly recognized that the basic equipment now selected for SM-343 will no longer be able to meet a threat in the 90s, because then the potential enemy will certainly have the use of air-supported missile weapons. To meet this threat, the ships must be planned today in such a manner that rearmament with an improved antiaircraft system is possible. Planned to "hold the place" are therefore:

- a close-range tube weapon of medium caliber and high rapid fire, suitable for the use of approach fuzes--ammunition,
- a missile weapons system in connection with an ESM (radar warning receiver) apparatus attuned to it and
- an infrared missile-sighting system.

Tender-supported SSG

A systems support group (SSG) assists the ships. A tender of Class 402 is being rebuilt for the accommodation of SSG personnel and of the necessary support equipment.

Some Characteristics of the Plan

The following planning considerations form the basis of the technical concept SM-343, upon which the planners must construct their work (along with the decisions already discussed above):

--The loading of the mines without deployment from the deck of the mine-sweeping equipment requires a large deck surface in the stern that is free of fixed structures, as well as storage capacity for the minesweeping apparatus outside this deck.

--The accommodation of the crew above the bulkhead during mine counter-measures requires a deck construction (forecastle) that reaches from board to board on the section of main deck that is not used for mine counter-measures.

In the process, the steel construction selected permits the structure to be lowered by a half a deck's height. This construction is called a "half-lowered forecastle" (p 50).

--The air threat particularly requires a more extensive W+F System than was previously used for ships of this type. For this, an operations center (OPZ) is planned, and appropriate equipment rooms are necessary. For these rooms and for the ship technical directing station, the ABC lock and the steering room, deck structures of sufficient size must be arranged on the forecastle deck and on the passageway forecastle deck/main deck.

--The free deck areas of the forecastle and of the deck houses are not sufficient, so the afterdeck must be partially built over with a small podium.

--The ship's speed and the special requirements for maneuverability call for a two-wave drive with propellers. Part of the definition work will be to make a comparison between a fixed propeller and a variable-pitched propeller in order then to be able to select the form best suited for this ship. In the process, the effects on the total plan, maneuverability, sound radiation and costs must be considered.

Beyond this, a few central points of the plan stand out:

Crew Arrangements

In the distribution of living area, one must consider the requirements for maintenance of performance ability and the necessity for recreation by the crew by separation of resting and living area. The entire crew, composed of 37 soldiers, is accommodated in the bow.

Electric Equipment

The ship has a 440 V/60-Hz, three-phase current main network. The necessary power is generated by three diesel-E-aggregates and fed into two separate E-switchboards. Two E-aggregates provide the power necessary for operation. The third aggregate stands in reserve. Automation of the E-installation as well as load distribution and automatic load discharge of unimportant users during overload are planned. For fulfilling the requirements for magnetic protection, the ship will receive a three-component MES installation.

Ship Engine Equipment

A double steering gear installation with high-performance steering is planned. For the engine room and E-plant, a Halon fire extinguisher is planned. Deck houses and living quarters are brought together as citadels and completely ABC-protected according to the long-lasting air protection ventilation system (DSK).

Acoustic Measures

The sound radiation of the ship is held down particularly by the following measures:

- Elastic structure of the intermediate foundations for diesel motors and machines,
- Double elastic positioning of the E-aggregates and sound encapsulation of the E-diesel motors,
- Sound-modifying positioning of the propellers and
- Elastic positioning/holding of all other sound producers and conductors.

IR [Infrared] Detectability

To reduce infrared detectability, the exhaust gases are discharged through exits along side in the outer skin are just above the water surface; the exits are also water cooled.

Communication

The planned installations correspond to the type and extent of the tactical and peacetime requirements for a ship of this type.

Navigation

The high standard of exactness for determining one's own position will be attained by the planned satellite navigation equipment. For radar navigation, the installation of a normal commercial system will be sought.

Mine Countermeasure Documentation

In connection with the components of the planned situational picture presentation machine, an automatic listing of the most important data for the use of mines is planned.

Automation

By automating the ship's technical functions and by planning for automatic sailing, automatic steering and logger, the ship can be run by a soldier at the bridge and a soldier in the ship's technical operating area. The engine rooms are not manned here.

On Further Planning

The defining work of the industry for SM-343 will be finished in the middle of 1984; it will then be in the form of "Final Specifications." It represents, after testing and evaluation by the administration, the basis for the offer for the construction of 10 SM-343 ships. The conclusion of the construction contract between the BWB and a general contractor still to be selected is planned for the third quarter of 1985. This assumes that by then it will be possible to jump the parliamentary hurdles and obtain the necessary decisions in the Federal Ministry of Defense (military-technological-economical requirements, construction release).

Parallel to the processes described above, the developmental work on MJ-Ship 332 continues. According to the plan, the definition and construction of the first model of this class, with a phase delay of about 2 years, will join up with Project SM-343.

For both projects a basic technical concept has been produced with which the navy can meet even a changed threat in the year 2000. Now it is a matter of seeing to it that this concept also becomes financially feasible.

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IMPROVEMENTS IN KORMORAN AIR-TO-SURFACE MISSILE

Bonn WEHRTECHNIK in German May 83 pp 78-82

[Article by Georg Fietze: "Increase in Combat Effectiveness From Kormoran 1 to Kormoran 2"]

[Text] The most effective means of engaging surface ships, which was already available to the Federal Navy for the "phased-out" F-104G Starfighter and was also adapted to the new Tornado weapons system, is the Kormoran missile, which heads independently for the target after launching. Now, on the occasion of the procurement of a second lot, the missile system, already very effective in the first configuration, is to be given increased performance. The following article by engineer Georg Fietze, Kormoran project officer and leading construction director, provides details.

The German navy intends to increase the combat effectiveness of the established Kormoran air-to-ship missile system on the Tornado. The navy faced the choice of simply increasing the numbers with a second lot or of using the opportunity to introduce improvements. In view of the expected greater effectiveness, especially in overcoming ship defenses, the second choice turned out to be more cost-effective. Therefore, the increase in combat effectiveness is related only to the so-called second lot of missiles which is to be procured beginning in early 1990. The new missile is named Kormoran 2. To distinguish better between the two, the "old" missile should be designated Kormoran 1. Beginning in 1983, an estimated DM128 million are for development and DM383 million for procurement.

Development Goals

The planned increase in combat effectiveness has the following objectives:

Greater probability of success, especially in overcoming enemy defenses. Today, the ship formation to be engaged already has many means to defend against an approaching sea skimmer. These means are by no means limited to the use of chaff. Thus the Red Navy now has an effective defense against antiship missiles: 30-mm rapid-fire guns with radar control are

very accurate and at close range can also hit and destroy missiles. Numerous ships are equipped with this system. The Side Globe and Ram Tube jamming transmitters have the function of deceiving missiles with passive radar homing. In addition to these tried systems, the "Kirov" has a further, completely new means of antimissile defense, the "SA-NX-6" system. Its missile attains an estimated six times the speed of sound.

More accurate target selection. The target to be engaged is chosen by the aircraft crew and clearly marked. And even after some time, the missile can still recognize and attack the target. Thus the so-called overkill and the engagement of insignificant targets are avoided.

Greater target effectiveness through a larger warhead. In addition, a greater critical angle (measured in front of the normal angle) is sought for penetrating the ship's side.

Using simple means to increase the range.

Decreased operational expenses. Here the thought is mainly about the costly annual checkout of the Kormoran 1 missiles with a complicated testing apparatus in the field forces, which is to be eliminated in the case of Kormoran 2, largely through maintenance-free storage (certified round).

The Kormoran-2 missile is to have the same outward form, approximately the same mass and identical inertial behavior. Thus to a large degree, there is no need for tests that are otherwise required to determine aerodynamic behavior such as flutter testing, jettisoning, departure testing, aircraft takeoffs and landings with various loads, range flights and other tests, because these tests have already been performed on the Tornado with Kormoran 1.

Also required are identical storage procedure, the use of the same container and ground-C duty and test equipment, identical transport procedures and attachment to the aircraft and essentially the same operation in the cockpit. Mixed loading with Kormoran 1 using identical launchers is to be permitted.

The Technical Solution

The operational principle is the same as for Kormoran 1. Mission possibilities, however, are greater. For each of the operational modes, it is possible to launch one or more missiles nearly simultaneously. The modes differ with respect to the manner of surveying the location of the potential target.

The target coordinates are communicated to the missile, which begins its own calculations while still attached to the aircraft. After cutting the "umbilical cord," there is no connection whatsoever between aircraft and missile (fire and forget).

The missile then flies under inertial guidance with the latest information into the target vicinity. At the same time, supported by a radar altimeter,

it descends to a level very close to the surface of the water. Its flight altitude is thereby dependent on the state of the sea surface. Active-passive radar homing takes over the final approach phase.

The missile should hit the target with great accuracy, and the warhead must penetrate the ship's side undamaged and detonate approximately along the ship's longitudinal axis.

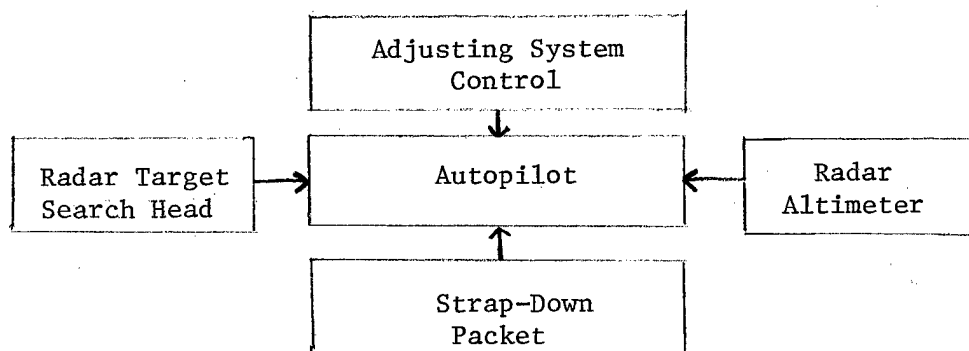
To achieve the intended increase in combat effectiveness, the most important systems must be revised.

Guidance System

In the case of Kormoran 1, the guidance system is composed of a number of analogously functioning apparatus in their own housings and cabled together on an equal basis.

The original idea of meeting the developmental requirements through some partial modifications turned out to be impractical. It was necessary to provide a fundamentally new and up-to-date equipment concept.

The equipment depot was replaced with modules that communicate with each other digitally over a data bus (MIL-Standard 1553) according to hierarchical rules. They are planned as plug-in cards in an H-structure with no individual housing. The microminuturization has general application. Only through these measures could the many additional electronic functions for improving the ECM [Electronic Counter Measures] stability, target selection and the variable-course approach be realized and still create enough space for a larger warhead.



Linking System Flow Diagram

The figure shows a simple flow diagram of the guidance or flight-control system. With the exception of the adjusting system (and the central electric power supply), all apparatus are installed in the search head-electronic section (SEA) as plug-in-cards.

The search head is characterized by an image antenna, a diode transmitter and a programable microprocessor. It can distinguish several targets and jammers simultaneously. Subsequent adaptation to as yet unknown types of jamming is possible through the programable processor.

The strap-down packet is made up of the sensor block with dynamically adjusted dry gyros and the sensor electronics. It delivers to the autopilot, the angular velocities and the translation acceleration in the direction of the three axes.

The radar altimeter provides the precise altitude data required for the extreme low-level flight.

The autopilot uses the data from these three sensors to calculate the guidance signals and relays them to the adjusting system, which, along with the batteries, is in the steering-engine and battery section. The autopilot also controls the course of missile self-testing.

Warhead and Ignition Device

The warhead is merely lengthened; the technology is otherwise unchanged. The explosive mass is increased by 50 percent, and the number of layers welded into the casing is increased from 16 to 24.

At detonation, these layers are transformed into metal plugs in accordance with the principle of the so-called P-load. With a velocity of about 2,000 meters per second, the missiles penetrate up to 16 ship walls. The ignition device is being redeveloped with the objective of reducing production costs.

Propulsion System

The old booster motors could no longer be used because they do not permit the planned simple mechanical structure of the missile. Instead, a ring booster was mounted on the rear of the missile. The propellant charge has a tube-and-rod configuration and is made up of cast composite. It provides substantially greater thrust (63,000 Ns) and also permits launching from slow (propeller-driven) aircraft. With some relatively simple additions, the missile could be made capable of stationary launches. The ring booster has a mechanical "detonator safety," so that there is no need for the thrust eliminator. In the case of the Kormoran 1, the burning start boosters ignite the sustainer 0.4 seconds later. This direct ignition was replaced by an electric ignition that can be switched on so that between the burning out of the booster motor and the ignition of the sustainer a propulsionless phase can be initiated whose duration depends on altitude and velocity. At higher altitudes and velocities for the approaching aircraft, it is thereby possible to achieve a considerable increase in the missile's range through simple means. The sustainer itself remains unchanged.

Maintenance

The maintenance of the aircraft system and the ground-duty and test equipment, which as a whole need only slight modification for Kormoran 2, does not change and will not be further described here.

There will, however, be completely new ways of maintaining the missiles. The missile will be stored in the depot and for the troops it is considered a certified round. The troops have no measuring, testing and repair work to do on the missile. Training activity takes place with training (dummy) missiles.

After 5 years in storage, the missiles will be examined in the depot by industry personnel in an action of limited duration and, if need be, they will be repaired with interchangeable parts. Transport of the missile to the enterprise should remain the exception. After another 5 years, this examination and repair action (PIA) will be repeated. The total service life sought will be at least 15 years.

The advantages of this procedure are obvious: industry can simplify its work. In contrast to the procedure with Kormoran 1, it does not need simultaneously to supply missiles, produce spare parts and take care of warranty cases. In the PIA, it can employ the same test equipment as in production. The troop has no need for additional expensive test equipment and thus no need for training, required spare parts and documentation. The firm's test equipment is used for a long time and need not be scrapped at the end of production. The system was logistically ready years earlier for it has been shown that test equipment that can be used by the field forces, with documentation, training and spare parts, cannot be brought into service until relatively late.

But in this regard, some circumstances must be considered:

The proportion of still functional missiles falls steadily (statistically, according to the known e-function) and reaches a minimum after 5 years. In case of action, therefore, a brief pre-launch testing of the missile with a simple go/no-go test apparatus is provided for prior to loading the aircraft. Although a testing depth of only 80 percent is anticipated, there is an effective phase-out of unreliable missiles. With this measure, there is not a significant increase in the probability of mission success.

One must also consider that a rapid deterioration of missile stocks through a systematic error will not be recognized in time. Therefore, so-called quality inspection actions (GUA) are planned between the PIA's after 2.5 and 7.5 years. Ten missiles are to be tested with the firm's test equipment and two are to be fired. If only 50 percent of the missiles in the entire stock are still intact at this time, then it is practically impossible that this GUA will not provide an indication of this error.

Altogether, however, the planned maintenance concept is very advantageous, under the precondition that the missile is sufficiently storage-stable, that is, the failure rate during storage does not exceed a certain predetermined number.

This circumstance was given special consideration in the missile design, especially in module selection.

An additional means of increasing storage stability is the storage itself. As already mentioned, the same gas-proof transport and the same storage container are used.

At first, it was controversial whether the so-called conditioning should be retained. For this purpose, the container with the missile is pumped out to 70 percent of the outside pressure and then nitrogen is added to reach 120 percent of the outside pressure. The criticism of this procedure initially involved the fact that the container atmosphere would merely be enriched with nitrogen and that one cannot speak of a protective-gas atmosphere. This is certainly true, but what is overlooked is the circumstance that this measure reduces the proportion of the other aggressive gases (oxygen and carbon dioxide) by the factor of 0.7 to 1.2, that is, approximately by half.

The second objection, that the measure cannot be at all effective for the encapsulated equipment in Kormoran 1, is quite justified but is not relevant for the described open-construction type of Kormoran 2.

Reconditioning with nitrogen, then, will be retained.

9746

CSO: 3620/339

SPIEGELENBERG ON PROBLEMS, ROLE OF AIR FORCE

Huizen AARDE & KOSMOS in Dutch May/June 1983 pp 272-275

[Article based on interview with retired Maj Gen J. Spiegelenberg by Hans Elgelman: "70th Anniversary of Royal Air Force"]

[Text] This year marks the 70th anniversary of the Royal Air Force, an event whose celebration is planned for June. Our armed forces are a part of the NATO alliance; they are not independent. What role does the Netherlands play in NATO? What is the outlook for the coming years? We spoke about these things with retired Maj Gen J. Spiegelenberg of the Royal Air Force, who is intimately acquainted as few other Dutch are with the inner workings of NATO.

"If they go through with reduction in flying time, if the ratio of pilots isn't quickly restored, the quality of the Royal Air Force will suffer seriously." These are the words of Maj Gen J. Spiegelenberg, the new chairman of the royal union "Our Air Force," who last year succeeded Jan Flinterman in this position. In December 1982, Spiegelenberg left the air force with a functional permanent discharge, 2 years later than provided by regulations. His last assignment was in the NATO Armed Forces Headquarters as aide to the supreme commander, American Gen Bernard W. Rogers.

Immediately upon returning to the Netherlands, Spiegelenberg assumed his new job with energy and enthusiasm. The knowledge and experience gained during almost 5 years of "involvement in decisionmaking" at NATO military headquarters in Brussels serve him well here. He is able to judge with authority the problems of the Royal Air Force, the relations within the North Atlantic Alliance and the role of the Dutch military units in it. A conversation with him offers a comprehensive review of subjects that affect not only the military and political world but interested citizens as well.

"Young" Air Force

This year the air force has been in existence for 70 years. Compared with the other branches of the armed forces, this branch is still a "rookie," without venerable traditions, but it nevertheless has a glorious history.

It is a modern operation, having a much less entrenched military hierarchy than do the army and navy. It is therefore something of an eccentric, even when compared with other air forces like those of West Germany, Great Britain and the United States. This is something that has struck Spiegelenberg again and again during his international contacts and, above all, in his NATO position. In spite of the high international regard for the Royal Air Force, Mr Spiegelenberg is concerned about the future.

"For several years we have been experiencing the accelerated discharge of men who joined in the years just after the war, from 1946 to 1950. They are now leaving the service in great numbers, causing the Royal Air Force to lose an enormous quantity of experience in a difficult period and at a time when the F-16 is being introduced. That is a complicated airplane with completely different flying characteristics than we have been used to before. Maybe the experience requirement was set too high in the past, but now we are really putting great pressure on the pilots who have relatively limited experience. This is asking a lot from the personnel and the commanders, especially at the squadron level," says Spiegelenberg.

Spiegelenberg is of the opinion that the political leadership must listen closely for signals from the organization and intervene promptly, if necessary.

"If you start gambling unnecessarily with planes now, making exaggerated cutbacks, that's an unworkable policy, simply because there is not enough experience. That's paying a lot to save a little."

Netherlands in the NATO Alliance

Up to now, the Royal Air Force has always made a good showing in NATO. This is seen in the results of the annual tactical evaluations, the squadron rotations with the allies and the annual firing exercises for guided missile squadrons on the Greek island of Crete. The Dutch are still designated as a model in the American units in West Germany, where the NATO evaluators are known to be lavish at times in issuing admonitions.

"There is knowledge, quality and motivation," states Spiegelenberg with concealed pride, and he underscores the fact that this is true of the other branches of the military as well. "The fact remains, of course, that we seem to be pretty much limiting our conventional contributions, even considering the present economic problems that we and many other NATO countries are having--they in every larger measure."

As an example, he named the announced dropping of two Nike squadrons.

"The willingness to replace the (nuclear) Nike and Hawk missiles in West Germany with the (conventional) Patriot missile is a good thing in itself. But the Patriot hasn't been introduced yet. There hasn't even been a final decision yet on exactly when the Patriot will be delivered. So it's logical that people in the alliance are having some doubts about our country," claims Spiegelenberg.

However, Spiegelenberg contends that this does not detract from the high regard for the forces that we can activate with the means at our disposal.

The image of the Dutch military has suffered some damage in the eyes of the allies because of its unorthodox appearance: the long hair, slipshod uniform, absence of salutes. For a long time, they held this against us because they thought that this automatically meant that the combat readiness of the Dutch armed forces had decreased. "But they've gotten over that. The foreign authorities who have taken the trouble to see first hand how the Dutch forces operate in exercises have frankly admitted that they are somewhat mistaken in their original judgment," says Spiegelenberg.

During the most recent debate on the defense budget in the Second Chamber in mid-March, the opposition parties once again pressed for reduction of the country's military forces. A motion by D'66 /Democrats '66/ is now aimed at the Royal Navy. In the past, there was a proposal to drop several assignments of the Royal Air Force. Spiegelenberg believes that this is not feasible in practice.

"This would mean that another country would have to take over the job and do it. And who in Europe is going to decide what country is going to carry out which assignment? It is logical that each one tries to get the assignment that suits that country the best financially. This turns into a never-ending debate. We all have the same financial problems. No one will be willing to take on an expensive assignment in exchange for an inexpensive one that we would carry out. And, anyway, it won't be feasible from the military technical point of view," Spiegelenberg explains.

Mr Spiegelenberg foresees enormous political problems whose solutions will never be found. This will demand further radical changes from the peace organization of the alliance, according to the calm and carefully spoke Spiegelenberg. He is not blind to the "other idea" but looks at the situation realistically. His judgment is based on careful consideration.

Dropping Nuclear Assignments

Another current question is the dropping of Dutch nuclear assignments, as advocated among others by the PvdA /Labor Party/. On our country's urging, a study has been launched in NATO to determine which tactical nuclear assignments are to be carried out, how many nuclear weapons and how much support for them are needed. As long as the study remains unfinished, the Dutch rejection of nuclear assignments will mean that another country must assume them.

"For the deployment of nuclear weapons a very modern support system is necessary, in other words, a very expensive system," says Spiegelenberg. "No one will be willing to assume an assignment in that field from us."

He maintains that there is another aspect to it: "Our country has accepted nuclear assignments in order to have some responsibility and to be able to have a voice. If we slough off assignments, that will make the other

countries ask themselves whether the original reasoning isn't still valid. Doing away with nuclear assignments therefore means less responsibility and less consultation. And that at a time when the Netherlands wants to talk more, not less, about reducing nuclear weapons." The former air force general thinks that this is the very opposite of what people say they want. Until the so-called shift study is complete, he thinks that it would be unreasonable "simply to bail out of it," The Netherlands would then forfeit its credibility, he claims.

Swing Around

Has the critical stand in our country toward nuclear armaments, the cautious attitude of successive Dutch administrations concerning the deployment of intermediate-range nuclear missiles, affected our standing in NATO? Are we still regarded as a dependable negotiating partner?

Mr Spiegelenberg is convinced that many countries are finding the Netherlands to be a troublesome negotiating partner: "We have made pretty much a swing around. Ten years ago we were reputed to be one of the most loyal NATO members, one that didn't hesitate to remind other member countries of their duties. Now we have become a member that is difficult to deal with."

The contribution of Dutch personnel in the NATO military organization is nevertheless highly rated. Spiegelenberg can speak from his own experience. The Dutch are well trained and speak their languages well. We contrast favorably with other countries. And therefore people like to work with the Dutch. Spiegelenberg says that this goes far to compensate for the difficult relationship with the political leadership. For that matter, people in NATO do not understand why our country places its top officers with the military organization of the alliance and recalls them after several years for their retirement. People in NATO headquarters claim that much experience and knowledge are thus lost to the service which could benefit the Dutch military.

Compensation Orders

The question of compensation for defense purchases has been a sore spot for years now. The defense minister in the previous cabinet, Van Mierlo, notified various suppliers of defense materiel that at the present compensation rate it will be politically impossible to get an order in the future. Defense Minister De Ruiter, early in his tenure, went to the United States to impress on the Americans that we would not be able to buy weapons exclusively in the United States if they in their turn did not place orders with us, this according to the so-called two-way-street system. During the last budget round, Minister De Ruiter declared himself in complete agreement with a motion of the CDA /Christian Democratic Appeal/, VVD /People's Party for Freedom and Democracy/ and D'66 which asked that the principle of guaranteed and full compensation become government policy for purchase of defense materiel from abroad.

Spiegelenberg is alarmed and wonders if the minister and members of the Chamber fully realize the implications of this motion and what it will mean

for the future. Especially for the air force, these purchases often involve high-technology equipment that can be purchased at most in two countries in the quality demanded by us. For the Patriot, for example, there is no alternative. "If we do what the motion asks, then I'm afraid that we will very soon no longer have an air force, an air force that can react adequately. The danger is that we'll be buying political weapons systems. We'll buy this or that because we couldn't get a 100 percent compensation," Spiegelenberg claimed indignantly.

Western Europe Must Work Together

He calls for greater industrial cooperation in Western Europe. According to him, it is Western Europe that can best compete with the United States: "We have the very same capacity as the Americans. But in NATO each country individually pays a certain amount for research and development. If this were pooled, we could do just what the Americans are doing. We've never been able to do it though. Before an appeal can be made to buy in Western Europe, it must first be assured that research and development are combined and coordinated. Only then is there a chance of putting competitive weapons systems on the market at the same time as the United States. Until this happens, we will never reach a situation where we can say to an American supplier: No full compensation? Then I'll buy it here at home."

Spiegelenberg points out that in those cases where Europe had weapons systems which were clearly superior, the Americans bought them too. As one example, he cites the Harrier, the British fighter plane that can take off and land vertically and became one of the best-known and successful weapon systems in the Falklands War.

"You cannot expect the Americans to buy equipment from us that they don't need or that they can make better themselves, just for the sake of the two-way street idea. If we really want to give credence to this idea, we must see to it that we can compete with the United States. There is too much disunity in Europe and everyone is trying to go after the same thing on his own. All NATO countries are trying to invent the same thing," says Spiegelenberg.

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ERRATUM: This article is republished from JPRS 83550 of 25 May 1983 No 2148 of this series p 17 to add the four final paragraphs which were inadvertently omitted.

ENERGY ECONOMICS

FRANCE

ELF CONGO STARTS EXPLOITING YANGA FIELD; SENJI NEXT

Paris L'USINE NOUVELLE in French 10 Mar 83 pp 60-61

[Article: "A Decisive Month for Congo Oil"]

[Text] By opening operations of two new fields, Elf Congo is increasing its production at a time when world oil prices are dropping. But the future of Congolese oil, like that of the nation's 5-year plan, depend on taxation negotiations currently underway.

In 1984, the oil production of the People's Republic of the Congo will reach 6 million tons. While the figure is still not sufficient to make Brazzaville one of the world oil capitals, it becomes significant for the Elf group, which is now taking a seventh of its oil resources from the Congo.

It is the start-up of operations in the Yanga Marine field, 45 km offshore from Pointe-Noire, that is making this Elf Congo increase possible. Sixty-five million tons of oil are collected at a depth of 850-1,300 meters, under 90 m of water. The accessible reserves are estimated at 17 million tons and in its first year of operation the field has supplied a quarter of the nation's production (4.5 million tons in 1982).

In 2 years, the number of persons working for Elf Congo has increased from 300 to 1,000. The company is now able to operate two other large fields on the offshore shelf. Very close to Yanga Marine, the Senji field will go into production next month. In 1985, in full operation, it will produce 1.2 million tons. Its known reserves reach 100 million tons, but technicians hope to take barely 10 percent of this viscous oil whose extraction will require the injection of gas and water. The company, it is true, was burned by the nearby Emeraude field experience.

Discovered in 1970, this large find (592 million tons known) in fact represents the largest field operated by the Elf group. But, located at a depth of only 200-450 m under 70 m of water, the fractured schistose formations release hardly more than 3 percent of their resources. Again the oil operators had to spread about 30 platforms over 12² kilometers of ocean to get this mediocre result. They are also going to inject 500 tons a day of steam at 200-250°C into the bed in order to liquefy the oil and permit thermal expansion of the reservoir layers.

This technique, which produces appreciable results in homogeneous sandy formations, has never been tested under these geological conditions. The Fr 490 million invested in the "Emeraude Vapeur" [Emerald Steam] pilot plant that will be operational in 1984 basically has value as experience. Because the increased operating cost would only make the operation profitable for oil sold at around \$40 a barrel. And under current tax conditions!

The development of production in fact depends on the taxes required by the People's Republic of the Congo. Brazzaville authorities levy tax on the basis of \$31 a barrel crude, which is marketed at \$27 or \$28 under current market conditions.

The new tax rate will depend on the development of world prices. And, at the end of the month, the central committee of the Congolese Labor Party will adjust the ambitious 5-year development plan that began last year depending on these oil resources.

As tight as they are, the negotiations between the ELF and Agrip oil companies-- associated with Elf Congo, the Italian company represents a third of the production--and the Congolese government began in a calm climate. It is true that the two partners have a narrow margin for bargaining: too heavy taxation would bring about a lowering of production that the Brazzaville authorities could not put up with, since oil receipts represent two-thirds of the financing of the 5-year plan, three-fourths of the work of which is being done by French firms!

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CSO: 3519/410

AUSTRIA'S EXPORT SURPLUS WITH CEMA COUNTRIES IN 1982

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 17 May 83 p 2

[Article by nw: "Fuels Make up 60 Percent of Total Imports. CEMA Countries Push for More Countertrade"]

[Text] Austria's foreign trade with CEMA countries was better in 1982 than a year earlier. The import surplus of almost 11 billion schillings in 1981 (1980: 3.5 billion schillings) dropped to 7.3 billion schillings in 1982. Austrian imports from CEMA countries fell by about 7 percent to almost 37 billion schillings (DM 5.2 billion) following an increase by nearly 30 percent during the preceding year. In contrast, Austrian exports rose by 3.1 percent to about 30 billion schillings (DM 4.2 billion), compared with 5.4 percent a year earlier.

Austria's exports to CEMA members differed greatly from country to country. On the one side were those countries with which Austria was able to increase her exports in 1982: to the GDR by 7 percent, Bulgaria 10.5 percent, Czechoslovakia 28 percent and the USSR 22 percent. This gain vis-a-vis the USSR (9.5 billion schillings) is of paramount importance to Austria because that country alone accounts for nearly one third of all exports to CEMA countries. On the other hand, exports were lower in 1982 than a year earlier to Poland (35 percent), Romania (37 percent) and Hungary (4 percent), i.e., exports to CEMA countries, excluding the USSR, declined by 3.7 percent to somewhat more than 20 billion schillings. Only three countries registered an increase: Czechoslovakia by 15.7 percent to 7.3 billion schillings, the GDR by 14 percent to almost 3 billion schillings, and Poland by 23 percent to 3.2 billion schillings (1981: minus 42 percent). The increase in shipments from Poland is the result of resumed coal deliveries. Thus, like the USSR and Czechoslovakia, Poland has been able to achieve an export surplus in her trade with Austria.

In contrast, there was a decline in Austrian imports from Romania (by 23 percent to 1.3 billion schillings), Bulgaria (20 percent to 574 million schillings), Hungary (6 percent to 4.7 billion schillings) and the USSR (19 percent, or 4 billion schillings, to 16.9 billion schillings). Price declines in oil shipments were responsible for the lower imports from the USSR which, in 1981, accounted for more than 50 percent, and in 1982, for almost 46 percent of all imports from CEMA countries and which exerted a strong influence on total imports from CEMA members. In other instances as well, the decline in imports was, in part, related to raw materials.

With a good 60 percent of total imports, fuels are Austria's most important import item from the Soviet bloc. This is also reflected in the high proportion of total fuel imports Austria is receiving from CEMA countries. In 1982, about 47.3 percent of all fuel imports, measured in energy units, originated there (1981: 46.5 percent). For gas, it was almost 100 percent, for coal 62 percent, petroleum products 23 percent and petroleum 23 percent. OPEC countries provided only 27.4 percent of all fuel imports (1981: 33.8 percent). With about 13 percent, ores and lumber rank second among imports. Machinery and transportation equipment account for less than 5 percent as in previous years.

Foremost among Austria's exports are machinery and transportation equipment (26 percent and a 12 percent increase), steel and ferrous products (20 percent and a slight decline) and chemical products (14.7 percent and a 10 percent increase). Machinery has lost some of its importance among the other export items to CEMA countries. This is similar to what happened to Austria's global exports in this commodity group in which CEMA's share has shrunk to a mere 10 percent. The development may be due to the fact that many CEMA countries have curtailed their investment plans. Austria's business with the USSR is good with regard to the export of river boats.

As in previous years, trade with CEMA countries (except Hungary) is adversely affected by Eastern demands for countertrade. While the Austrian side views the share of countertrade as being too high, the CEMA countries push for further expansion of this type of trade relations.

That this type of trade does not agree too well with either side should be one of the reasons why CEMA's share of Austrian exports and imports has been declining for several years. Countertrade imports dropped from 11.5 percent in 1981 to 11.1 percent in 1982, and exports from 12 percent to the current low of only 11.1 percent of Austria's total import-export trade.

7821

CSO: 3620/355

AGRICULTURE MINISTER SATISFIED WITH EC PRICE PACT

Copenhagen BERLINGSKE TIDENDE in Danish 18 May 83 Sect III p 4

[Article by Klaus Justesen, Brussels: "Triumph for Dalsager"]

[Text] Danish EC Commissioner Poul Dalsager scored an important personal triumph when early yesterday morning he secured an agreement regarding the new agricultural prices. The commission got its original proposal carried through for the first time in the community's history. EC's empty cash box put pressure on the negotiations, but in Brussels a considerable part of the glory is being conferred on Commissioner Dalsager.

The new prices should have been passed as early as 1 April. At this point, however, no country was willing to bend. But the commission held fast and in spite of several night meetings the 101 ministers were not successful in forcing through a single change in the proposal.

It was a clearly relieved Danish commissioner who yesterday morning confessed that he had not expected success in the legislature so quickly. Three days of negotiations had been foreseen this week. Dalsager characterized the night's compromise as very satisfactory to the commission. Not just because the average price increases are limited to 4.2 percent, but also because production quotas have been established. At the same time the much debated monetary payment amounts have been reduced.

In the last phase it was Italy which blocked a compromise. Demands for an interest support arrangement and various direct subsidies would have cost a couple of billion kroner. The Italian minister, however, had to be content with less than half of this in the form of cash subsidies and several tons of powdered skimmed milk and wheat.

Kofod Satisfied

After the night meeting Danish Agriculture Minister Niels Anker Kofod declared himself satisfied with the compromise. He stressed that no minister had been exceedingly enthusiastic. In his opinion Britain's Peter Walker had the biggest smile, however, while West Germany's Ignace Kichle appeared anything but satisfied.

Niels Anker Kofod stressed that Danish consumers will almost not be able to feel the price increases. Food prices will rise an average of only 1.5 percent. In the combined price index the effect will be as modest as 0.3 percent.

In spite of this, the agriculture minister believes that farmers can be satisfied. Last year they got increases of 10.7 percent, and this time they are only 4 percent. Anyway, according to Niels Anker Kofod, the net result can be better because the government has gotten inflation under control.

Relief

There is obvious relief over the compromise in Brussels. However, it has not been able to solve EC's serious finance problems. The compromise means a 3.5-billion-kroner increase in the community's combined budget this year and a 5.6-billion next year. Therefore, it will also be necessary to have a supplementary budget. How big it will be will depend, however, both on the extent of production and price development in the world market.

The night's compromise appears, however, to have lightened the budget crisis. Among other things, because now tighter production limits have been set. If they are exceeded, prices will drop. Therefore, there seems to be a basis for Poul Dalsager's assertion as well: "We have secured the common agricultural policy. Not only for the coming 12 months, but for a long period to come."

8985

CSO: 3613/118

EFFECTS OF EC AGRICULTURAL PRICE-GUARANTEES DISCUSSED

Copenhagen BERLINGSKE TIDENDE in Danish 18 May 83 Sect III p 5

[Article by Ib Christensen: "Agriculture Does Not Expect Increased Exchange Earnings"]

[Text] Neither the dairies nor slaughterhouses expect that EC's agricultural compromise with reduced duties for agricultural goods and price increases will result in rising exports or in higher sales proceeds in the current year. The Agriculture Ministry has estimated that net exports will increase by 1.5 billion kroner to a total of 28.8 billion kroner. Proceeds, however, will not increase before there is a basis for price increases, and when this can take place neither the ministry nor the organizations dare to predict at the present time.

Hopes that higher prices will become a reality quite soon are scanty today. Vice-Director Klaus Bustrup of agriculture's EC committee does not believe that agriculture's marketing situation for the major markets of Germany, England, France and Italy will be affected appreciably.

It will be a question of marginal proceeds and probably the excess proceeds will amount to considerably under 100 million kroner, he estimates for BERLINGSKE TIDENDE. Jørgen Møllegaard, government consultant at the Danish embassy in Rome, says:

"I think that this will be of very little consequence for exports. Germany and Holland will be made equal with Denmark in the new compromise, and they are our biggest competitors. Italy has become the third largest market for Danish agriculture, which now exports 5 billion kroner worth. In 1982 alone the growth was 30 percent, but if progress is to be increased, it will be necessary to become established in other areas."

Agriculture Council President H.O.A. Kjeldsen says that now it is all-crucial to have a basis for increases created via effective management of the markets from EC. He is satisfied that a compromise has been reached, but expresses disappointment over the fact that prices are being raised only 4.2 and not 7 percent, as agriculture demanded in order to have its overdue payments of expenses covered.

"The inadequate increases make it necessary that the Folketing [Parliament] now pass the economic reconstruction plan for the industry, which agriculture and the government have negotiated toward," he says.

Consumers Hardly to Feel Price Increases

Practically speaking, consumers will not feel EC's compromise regarding an average 4.2-percent increase in agricultural prices. The supply of goods ahead is so great here at home and abroad that there hardly will be a basis for raising retail prices the 1.8 percent which the Agriculture Ministry estimated that the increase would theoretically come through as in stores.

Agriculture Minister Niels Anker Kofod (Liberal Party) and the agricultural organizations are in agreement regarding this. The guaranteed minimum prices for milk will go into effect as soon as Monday, but overproduction in the entire world market will, according to the dairies, make any talk regarding price increases illusory even in the longer term.

On the contrary, consumers in a short time will be able to buy butter at lower prices. According to the compromise EC will raise its consumer subsidy 50 øre. This means that the State by paying a 10-øre subsidy for each kilogram of butter which is sold here at home can get paid five times this amount from EC. If the value-added tax is included, it becomes a question of a price drop of 75 øre per kilogram in stores.

Amount Which Guaranteed Prices Will Rise for Farmers

Sugar	4 percent
Milk	2.3 percent
Pork	5.5 percent
Beef	5.5 percent
Grain	3 percent
Peas	6.5 percent

It is also extremely doubtful whether the price of beef and especially pork, which go into effect on 23 May and 1 November, respectively, will in practice be increased. The last few months pork has been sold here at home at prices which are 25 to 30 percent below EC's base price. The large supply is putting pressure on the market and here there is not the same guarantee of increases in EC's regulations as for milk. According to the rules in effect, prices must increase in export markets before the increases can come through to consumers here at home.

8985
CSO: 3613/118

BANK OF FRANCE PREDICTS MORE INDUSTRIAL INVESTMENT FOR 1983

Paris LES ECHOS in French 26 Apr 83 p 5

Text A majority of French industrialists expect to increase their investment expenditures in 1983, following two years of marked contraction, according to the yearly Bank of France industrial survey published yesterday.

That reversal of predictions reflects "the felt need for a certain amount of catching up," in the view of the survey's authors. They also note that major firms, whose investments have strongly fallen off, declare themselves "more inclined than others" to invest.

The automotive--and more generally speaking the ground transportation equipment industry--is according to the survey the only one among the five broad sectors of economic activity (agricultural and food, intermediate goods, capital equipment, consumer goods) for which 1983 forecasts are below last year's investment figures. The year 1982 had been marked by a distinct increase in French automobile production.

Of all the heads of enterprises employing at least 500 workers, 48.5 percent plan to increase the volume of their investment expenditures this year, while 22.5 percent plan to keep them at the 1982 level, and 29 percent plan to reduce them. For firms with fewer than 500 employees, the same forecasts are 39.6, 29.3, and 31.1 percent respectively.

The Bank of France estimates that in 1982 the volume of investment by industry decreased by 7 percent, while expenditures increased by 3.6 percent, and costs of capital equipment increased by 12 percent.

The decrease in volume was more pronounced for firms with at least 500 employees (9 percent) than for small and medium enterprises (4 percent). The survey notes that only in the consumer goods sector, which benefited from a year-long "sustained situation," was there a volume development in investment.

The figures released by the Bank of France evidence a slight increase in industrial production for 1982, except for energy and construction, with overall turnover rising faster than prices in that sector (12.6 as against 11 percent).

Personnel reductions (-1.8 percent) continued at a slower rate than in 1981, owing to implementation of community of interest contracts, the survey emphasizes, with termination of 85,000 jobs as compared to 170,000 in 1981.

Last year, the Bank of France continues, sales abroad increased by 13 percent in value, but decreased slightly in volume, with export prices increasing appreciably more than domestic prices. The rate of exports--that is, the proportion of exports to total turnover--increased appreciably more than domestic prices, growing from 26.2 percent in 1981 to 26.4 percent in 1982.

6145

CSO: 3519/464

INSEE STUDY REVEALS INDUSTRIAL INVESTMENT FOR 1982-83

Paris LES ECHOS in French 15 Apr 83 p 8

Text According to responses by industrialists to the survey conducted in the first fortnight of March, investment expenditures increased by 6 percent in value from 1981 to 1982. Allowing for an average annual price rise of 12 percent for capital equipment, industrial investment decreased by 5 percent in 1982. The decrease is thus below forecasts made in November.

For 1983, industrialists adhere to the same forecasts as were made in November: a 7 percent increase in value; and they estimate the probable cost fluctuation for those investments at 10 percent from 1982 to 1983. That would correspond to a new decrease in volume of 3 percent, which would be less than that for the two prior years. It would be particularly appreciable for small enterprises.

It was in sectors producing capital equipment that the decrease was smallest in 1982--2 percent in volume--and it is there that a stabilization should be observed in 1983. A slight increase in investment is to be noted in electrical equipment industries. In the shipbuilding and aircraft sectors there should be a marked drop in investments in 1983 following several years of volume increases.

In consumer goods sectors, investment volume would decrease by 7 percent in 1982 and 4 percent in 1983. The greatest decrease in 1982 was in agricultural and food industries, in which value of equipment stagnated. Forecasts for the automotive sector in 1983 are mediocre. Investment volume in the textile and in the shoe and leather goods sectors, by contrast, is expected to increase.

The evolution of investment in the intermediate sector differs according to industry. In 1982 there was stability in chemical and allied industries and in the paper and cardboard industry; an increase in glassmaking and metals transformation; and a decrease by one-third in building materials.

For 1983 most sectors indicate a greater decrease than in 1982, except for chemistry in which investment should increase slightly in volume, and for iron and steel in which industrialists' forecasts remain very high. Figures for total decrease in volume are 8 percent for 1982 and 4 percent for 1983.

To finance their investments, enterprises had less recourse to outside sources. Indeed, the proportion of investments covered by self-financing rose slightly from 1981's low level. It continues relatively high in capital equipment sectors. Although there was an overall reduction in financing from outside sources, medium and long term bank credit maintained the level of prior years.

6145

CSO: 3519/464

TRANSITION ECONOMY SEEN AS DISASTER

Madrid EL ALCAZAR in Spanish 18 May 83 p 10

[Excerpt] The budgets are a reflection of the economic reality, and the latter is what must be changed dramatically, claimed the minister of economics and finance upon presenting the General State Budgets to the Congressional Plenary.

Minister Boyer, who termed the budgets "transitional" in his speech of nearly 2 hours, made reference to the economic situation in 1982, its evolution during the first months of 1983, and macroeconomic policy for this year, in which context the government drew up the budgets.

With respect to 1982, he asserted that the Gross Domestic Product of Spain grew by only 1.2 percent in real terms, but this growth reflected "an accentuation of the imbalance between a depressed private sector and a regression in contrast to the maintenance of income, demand and activity in the public sector. This led to a strong upsurge in the public deficit to 1.15 trillion pesetas, which 5.9 percent of the GDP and double the previous year's deficit."

He also mentioned the absolute decline in the industrial sector and the drop in fixed capital investment, breaking the trend toward improvement of 1980 and 1981.

"The process of decapitalization of the economy jeopardizes," he stated, "future possibilities in the external sector, both because of its impact on the competitiveness of exporting industries, and because of the resulting increase in the propensity to import."

The minister expressed concern about the 6.5 percent growth of non-energy imports in 1982, "if we consider our domestic sluggishness and compare it with the real growth of 2.5 percent in exports," he said.

In spite of everything, he indicated that the balance of trade deficit fell by \$800 million, while that of the current account balance declined by \$1 billion.

The problems of the external sector stemmed from the balance of capital, due to the sharp deceleration in private applications for foreign loans, which resulted in a drain of \$3.12 billion in reserves.

Miguel Boyer also stressed the failure to make progress in controlling inflation, as well as the decline in the rate at which unemployment is falling.

"In 1982," he said, "we were unable to reanimate the real growth rate of the economy, but the increased laxity of monetary policy was a significant factor in halting the decline in inflation throughout the year, and in generating expectations of a depreciation of our currency for several months of that year."

The minister mentioned the foreign debt problems faced by many countries in 1982, a phenomenon which has contracted world trade, and he said that despite the economic recovery in the United States and the drop in the price of petroleum, the reactivation will take longer to spread to the European economies than was initially expected.

"Our problem," he declared, "is not so much one of isolating ourselves from the contractive elements of the world economy, but rather of preparing not to remain isolated during a phase of international recuperation. Despite all the difficulties and delays, it appears that that recovery will take place gradually in the near future."

The economics minister stated that the first quarter of the year, in general, was "not very favorable as a result of the sluggishness of world commerce, the dampening effect on our exports, and the weakness of private consumption."

He emphasized the important achievement represented by the reduction of inflation during the first quarter (1.5 points less than the same period of the year before) and indicated the need to lower the inflation differential with the Common Market countries. He also stated that the fight against inflation should be facilitated by an attitude of wage moderation.

"Transition"

The president of the government, Felipe Gonzalez, called the budgets presented to the Congressional Plenary yesterday "transitional budgets."

Shortly before the Plenary convened, President Gonzalez assured congressmen in the corridors that "it is possible that even another year will not be enough to draw up some budgets to promote change. In any case, these budgets constitute a major support for reindustrialization."

Felipe Gonzalez did not attribute much importance to the fact that all the groups of the parliamentary opposition have presented amendments to the entire budgets and want to send them back to the government: "It is logical," he said, "for them to present these amendments, because since the Socialist group is in the majority, it is relatively easy and risk-free for them."

The president announced that in addition to this debate on the government's economic policy--"a very reasonable thing," he added, "precisely because this is the first year of a Socialist government"--there will be other major debates: that of the general budgets for 1984, which will be submitted in October, and in September, coinciding with the opening of the new session, the government will begin a new practice of holding a parliamentary debate on general policy.

8926

CSO: 3548/416

FRAGA LAUNCHES ATTACK ON GOVERNMENT BUDGET

Madrid ABC in Spanish 18 May 83 p 13

[Article by Jose Maria Fernandez-Rua]

[Text] Madrid—Manuel Fraga described the bill for the 1983 General State Budgets, which had been defended previously before the Congressional Plenary by Minister of Economics and Finance Miguel Boyer, as false, sectarian, partisan and regressive.

Miguel Boyer presented a report on the Spanish economy of the past year, in which he said that monetary policy had halted and even slightly reversed the trend toward a gradual reduction in the growth rate of the money supply in an attempt to provide stimulus for the real expansion of the economy. According to the minister, our economy's chances for sparking an autonomous reactivation of domestic demand are remote, although the problems are the result of our economy's resistance to the necessary adjustments for nearly 10 years. Boyer emphatically stated that the government will not commit any imprudence in its policy on demand and its monetary and financial policy, because they will be kept on the track of aiming at a 13 percent growth of liquid assets. In budgetary policy, the upward trend of the deficit will be curbed by keeping absolute levels the same; and in external economic policy, the external deficit will be reduced to 43 billion.

As for the budgets themselves, Boyer explained that they begin from the premise of an effort to contain the deficit to its relative level, after several years of explosive growth.

He also explained that if the system is not corrected it is possible that by 1986 the Social Security deficit could be 1 trillion pesetas. He also noted that the deficit of the public enterprises cannot be resolved in the short term, but a process of adjustment should begin now to eliminate the imbalance; the state cannot accept the principle that enterprises experiencing difficulties or facing bankruptcy should be sheltered in the budgets.

Manuel Fraga Iribarne began by addressing President Felipe Gonzalez: "We are now 5 months behind, at your request and with our consent," although with "the paralyzation of decision-making that this delay can and has caused."

"The government," he pointed out, "has presented a budget much more reasonable than the absurd one Mr Boyer announced 3 months ago before the Economic Committee of this Chamber."

Fraga announced that these budgets were false, sectarian, partisan and regressive, and were profoundly incompatible with the government's economic program, "because your public spending policy (referring to Felipe Gonzalez) contradicts your monetary policy, since while it could be compatible with the anti-inflationary objectives, it runs counter to your objectives of combatting unemployment."

Fraga explained his description: It is false because it does a disappearing act with more than a half a trillion in spending, basically in undeclared subsidies to the Spanish National Railroads (RENFE), higher contributions to Unemployment Insurance, a real contribution to the Social Security deficit, etc.

Manuel Fraga stressed that the public deficit will be financed with public indebtedness, instead of advances from the Bank of Spain, as the government had announced a few months ago. "To curb unemployment," he added, "an increase in revenues of 2.5 percent is announced, although later that utopian figure is reduced to 2 percent, and the average workweek is cut by 2 percent as well. It was also announced that the growth in revenues would be obtained basically by increasing exports by 5 percent. This plan, similar to the one which has already failed in France, but even more ridiculous than that one, would guarantee existing employment but would condemn at least 150,000 youths to unemployment. This budget contains hints that there will be an average reduction of 2 percent in the workweek, but there is no sign that exports will grow by 5 percent and therefore that revenues will climb 2 percent."

He stressed that exports will not grow by more than 2 percent, nor will revenues rise by more than 1 percent. This means that, as a minimum, there will be "around 300,000 new jobless workers by the end of 1983; for this new and basic reason, your budget is highly regressive." Manuel Fraga, who was addressing the president of the government the entire time, also said that the Spanish middle class now accounts for 80 percent of the population, "and this middle class will be at risk of becoming notably impoverished and of joining the proletariat as in the Third World or communist countries, in search of a utopian Providence State in times of crisis."

Finally, he announced that there was an alternative, that represented by his coalition, the alternative of common sense: to deal with the increase in public spending, establishing priorities and running an austere administration; to curb the galloping growth of the deficit, reducing it drastically without allowing it to exceed 4 percent of the Gross Industrial Product this year; instead of raising fiscal pressure by nearly 2 points, keeping it at current levels; instead of a policy of expanding consumption, pursuing a policy of strengthening private investment and employment; instead of presenting a distorted picture of reality, telling the truth to the people.

The president of the government did not take up the gauntlet thrown down by the opposition leader. Minister Boyer tried to do so, but nonetheless he did not respond to the figures as demanded by Fraga.

8926
CSO: 3548/416

BINDING ARBITRATION POSSIBLE BANK STRIKE SOLUTION

Madrid YA in Spanish 4 May 83 p 21

[Text] "I am going to propose to the UGT [General Union of Workers] and to the other unions that a new strike be called in the banking sector for next week," declared Justo Fernandez, UGT banking secretary, after learning the response of the AEB [Spanish Association of Private Banks] to the offer made yesterday by the unions. CCOO [Workers Commission] seem unwilling to accept a new strike on account of the consequences and upheaval that it would have for the country and for the salaries of banking employees themselves, who would see this month's salary practically eliminated. In any case, the CCOO's are not going to give an immediate response to the proposal to call a new strike until it consults its governing organizations. Under this situation, it appears that the only way out of the banking conflict is binding arbitration. That decision corresponds to the government and it cannot be made at this time because President Gonzalez and the labor minister are in Germany and France, respectively. Today, the increased participation, the action of pickets, meetings of banking officials and business worry have been the most outstanding elements of the strike being carried out for the fourth consecutive working day by employees of private banks.

The AEB spokesman indicated yesterday that there has been no pressure or call to the AEB by the government. During these strike days, there has not been negotiation or mediation of any sort, he said, because, among other reasons, the AEB does not negotiate under the pressure of a strike. He also reported that during the morning the AEB received a call by three of the five unions negotiating the revision of the banking contract. They proposed a meeting of their secretaries general with Rafael Termes, AEB president.

Our response could not be any other than to say that the AEB does not accept the proposal as long as there is no return to normal working conditions in the sector, which is now being disturbed not so much by the strike itself,

whose voluntary participation is very much reduced, but by the unlawful and violent acts that occur daily in the face of the passivity, in a good number of cases, of the police.

Justo Fernandez has said that this position of bank management indicates that the attempt at negotiating that it wanted to project to the press is completely false. It was an attempt to manipulate the unions to call off the strike and then to repeat the previous propositions.

"There is no law, except to the contrary," he added, "that might permit a cessation of negotiations during a strike. The Spanish laws say that one must continue, even if a strike has been called. This is being violated by the banking association. I get the impression that they continue to express something that is important, that what they say in public is not the same as their argument to the government about their intentions to negotiate."

The UGT, in a communique released yesterday, said that at no time would the union negotiate a working day determined by the banks, even if the other unions wanted to accept it.

For his part, Jose Manuel de la Parra, CCOO secretary general for banking, has declared that he scarcely understands the AEB refusal to return to negotiate: "We have already made a public offer to the UGT to sit down at a table and to convoke a day of solidarity next Friday, in which there would be meetings in all of the important enterprises and in which banking representatives would explain the situation of conflict."

"In addition," he added, "in these meetings, the representatives of the banks would explain to the other productive sectors of the country the background for the action by the banks, which, in our opinion, supposes, in conjunction with Termes' public proposal for a stabilization plan, the destruction of the framework of social concentration that has been in effect in Spain until now."

Bomb Threat in Barcelona and Villence in Palma de Mallorca

The AEB spokesman referred to the actions of the pickets and he indicated that in the Velazquez Street branch of the Simeon Bank in Madrid, a person presented himself asking that the door be opened so that he could cash a check. When the director and the branch agent opened the door, immediately 50 or 60 persons burst in and threw both branch representatives out of the building, threatening them by saying that the next day they would burn down the branch bank.

The most significant figures from the situation in the bank strike in Barcelona are 162 arrests and 100 bomb threats. Yesterday, the strikes were repeated in the seven top entities there. Those detained by the Public Force were pickets acting violently against countreparts who sought to enter to work or customers trying to carry out some operation. In Santa Coloma de Gramanet, 150 persons were arrested, 10 of them in front of the office of Banco Popular in Barcelona and two in the branch office of the Bank of Bilbao in the outskirts of Barcelona, according to our correspondent Enrique

Frances. Asso, in Palma de Mallorca, an employee of the March Bank was admitted to the hospital with a concussion and two directors have been arrested as a result of a confrontation between pickets and personnel of the cited entity.

In Bilbao, three persons were arrested and judicial proceedings were initiated. The secretary of the Civil Government of Biscay met with representatives of the unions and announced that it did not involve an arrest but rather a taking into custody. He was confident that those detained would soon be freed.

Jose Antonio Segurado, president of the Independent Business Confederation of Madrid, has indicated that business is extremely concerned about the strike. He referred to the attitude of physical and moral compulsion that is affecting the freedom of the worker and he added that the freedom of the worker is recognized in the constitution.

In a note released yesterday, he makes himself the interpreter of the feelings of thousands of affiliates and of the opinion of many millions of Spanish consumers and users. He publicly denounces the injustice of continuing the damage and losses--not just nuisances and inconveniences--that arise in the absence of or significant decrease in the assistance to which they have a right, at the same time that he asks the parties in the conflict to begin a dialog, to renew their contacts and to make a maximum effort to come to an understanding.

The Zaragoza Chamber of Commerce has made public a communique in which it calls on the two parties in the conflict about the bank strike "to resolve the existing differences by way of dialog" so that the strike may end. It adds that the work stoppage is causing "grave losses for the economies in general and for business in particular."

9746

CSO: 3548/403

STATISTICAL SURVEY OF BASQUE SAVINGS INSTITUTION ASSETS

Guipuzcoa EGIN in Spanish 30 Apr 83 p 7

[Text] Gasteiz--The total volume of resources foreign to the Basque-Navarrese Federation of Savings Institutions as of 31 December 1982 reached 727,831 billion pesetas (617,674 billion in the Autonomous Community), with an absolute increase of 137,916 billion and a percentage increase of 23.38 percent, 3.5 points higher than the average growth of savings institutions at the national level and 5 points higher than the average growth of banks at the national level. This information, as it is reflected in the federation's 1982 report presented to the news media yesterday in Gasteiz, ranks the savings institutions of the Basque Atuonomous Community, according to the latest available data on market share (as of 30 September 1982), as the top financial group of the Autonomous Community, ahead of private banks for the first time and implying a market share of 46.97 percent compared with 45.32 percent for private banks and 7.71 percent for the credit cooperatives.

This information, along with data on the investment activity of the federation's savings institutions and their level of solvency and security, are the most outstanding features expressed yesterday by the representatives of the federation, who also had plenty to say when it came to diagnosing the problems of profitability because of resources that are subject to fixed rates (54.5 percent of the federation's total outside resources) and the danger involved in the stiff competition in attracting deposits.

This last factor has meant that in 1982 financial costs have risen more rapidly (39 percent) than financial products (34 percent), so that the financial margin has increased 26 percent compared with 18 percent for operating expenses and 45 percent for contributions to the insolvency fund. Therefore, the net results, before taxes, obtained by the savings institutions of the federation during 1982 show an increase of 28 percent (1.532 billion) over 1981. Federation representatives have called this result frankly satisfying, especially when one considers that this was after designating 5.052 billion to sureties, 580 million to the Deposit Insurance Fund and 1.810 billion for debt amortization.

With respect to investments, it should be pointed out that the portfolios experiencing the largest percentage of increase have been those of loans

and credits (26.7 percent), with a year-end balance of 303.682 billion pesetas, and securities (96 percent) with 28.773 billion pesetas. In loans and credits, the sectors industry (58 percent) and agriculture (81 percent) have grown most rapidly. The federation's own resources on 31 December 1982 and before the distribution of benefits amounted to 36.096 billion, of which 27.828 billion corresponded to reserves and 8.268 billion to the Social Works Fund.

At the end of 1982, the savings institutions of the federation employed a total of 5,438 persons, having created 86 new direct positions and opened 20 new offices, so that at that time the federation had 816 offices.

9746

CSO: 3548/403

UNION ECONOMISTS CONCERNED OVER UNEMPLOYMENT AS UPTURN STARTS

Stockholm DAGENS NYHETER in Swedish 19 May 83 p 8

[Article by Lennart Ekdal: "Spring Report From LO Economists Says Recovery on the Way but Unemployment Is Troublesome"]

[Text] Distribution policy will be the decisive question for economic policy in Sweden during 1984. Inflation protection in the tax scales must be limited to four percent. The government must also adjust tax reform so that income chasms will be reduced.

These are the main points in the spring report from the LO [Federation of Trade Union] economists, which was presented by Anna Hedborg, Goran Farm and Ake Bursted on Wednesday.

Like many others, the LO economists noted clear signs of an international recovery, the strength of which is highly uncertain. The role of the United States as the "locomotive of business conditions" is no longer as obvious, either.

The LO economists present a number of positive signs for 1984. The deficit in the trade balance (export less import of goods and services) is declining this year to 12 billion kronor. The government's prediction is minus 19 billion. In 1984 this figure will be as low as 6.8 billion kronor, says both LO and the government.

The LO economists predicted the following increases for 1984:

GNP	4.0	percent
Import	5.0	"
Inventory	1.0	"
Gross investment	1.0	"
Private consumption	2.0	"
State consumption	-1.0	"
Municipal consumption	2.5	"
Public consumption	1.5	"
Domestic demand	2.5	"
Export	8.5	"

This balance of resources is undeniably pleasant reading. If these positive predictions are met, the number of unemployed next year will be about 150,000. A somewhat worse, but far from extreme alternative would lead to 210,000 unemployed.

The LO economists warn the government of a drastic increase in unemployment if investments in export and inflation fighting become too one-sided.

Necessary Increase

Unemployment is the great cloud of anxiety besides the distribution policy. This year more will be without jobs under all circumstances than in 1982, according to the LO group.

Goran Farm said, "Just a good increase in exports is not sufficient to cure unemployment. It is also necessary to increase domestic demand.

"The struggle against unemployment is the most important thing for LO. Municipalities and county councils will regulate the permanent jobs, either by increasing taxes or through the state contributing more money. That is a better way than for the state to create more welfare jobs.

"The struggle against unemployment must have priority ahead of the struggle against the budget deficit," said Goran Farm. "I do not believe that a social democratic government wants to increase open unemployment."

Should Be Torn Up

Back to the big worry: the income chasm. According to LO the preconditions for reducing the marginal taxes are now the worst imaginable.

The second stage in tax revision favors the high income people.

"We see the year 1983 as a lost year from the viewpoint of distribution," said Anna Hedborg, "a sacrifice on the altar of crisis consciousness. The low income citizens can naturally not accept that for long. Then the demand for compensation is pushed, and thereby a reasonable wage agreement will be an impossibility."

LO's minimum demand is that the tax scale be indexed at a maximum of four percent. The LO economists also demand "other measures within the tax policy." That can be interpreted as tearing up tax reform, at least partly.

The LO economists also speak of a serious distribution conflict between labor and capital. Among other things, they point to the large profit increases expected in industry. The economists advocate a mandatory profit sharing of "at least the amount now being discussed," meaning 20 percent of the "real" profits of the business.

LO Paper Says Discard Inflation Protection

Discard inflation protection entirely in the tax scales. Use the three billion kronor gained thereby to pay for the marginal tax reduction. Let the reduced oil prices reflect in the wages. Raise other energy taxes so that new investments in the labor market can be paid.

These far-reaching demands appeared in the LO newspaper of today, Thursday. This assumes that the tax revision by both middle parties in the Riksdag is dead and finished. The nonsocialists wanted the revision to have full inflation protection, but in the rewritten compromise, Rolf Wirten, former minister of the budget, and Kjell-Olof Feldt agreed to limit index protection to 5.5 percent.

LO's recommendation to further reduce inflation protection to 4 percent is insufficient, according to the LO newspaper editorial. It called the LO recommendation a minidemand.

"The logical step is to entirely discard inflation protection in the tax scales," writes the LO newspaper, and continues, "A de-indexed tax scale would show that social democracy is serious in its fight against inflation."

The LO newspaper writes that several wage agreements for this year do not follow the intentions of the tax agreement--to give the most to the low paid, and less to the high paid who gain through tax revision.

The income chasm is going to grow. The newspaper has calculated that even with an entirely de-indexed tax scale the high paid will get their real salary next year, without any salary increase at all.

9287

CSO: 3650/198

P. O. EDIN SEES WAGE-EARNER FUND AS 1985 CAMPAIGN ISSUE

Stockholm 7 DAGAR in Swedish 13 May 83 p 2

[Interview with Per-Olof Edin by Eva Hamilton; date and place not specified]

[Text] Per-Olof Edin is, more than anyone else, associated with the wage-earner funds. He has been involved from the beginning: that time 8 years ago when Rudolf Meidner presented the first recommendation about how the wage-earners should be able to take over their factories. That was the opening of the worst political conflict that has split Sweden since the 1930's.

After years of discussions, changes and several new recommendations, P. O. Edin last week introduced what he himself calls "one of the building stones of the wage-earner funds," a recommendation for profit-sharing which will finance the funds.

[Question] When I first heard you speak of the funds, you were a visionary. Now, after years of quarrels and setbacks, a foundation stone is ready, the report on profit-sharing. It is a technical solution, entirely stripped of all political aims--a detailed statement created by accountants, not by ideologists. Are the visionary wage-earner funds shrinking to an inoffensive midget?

[Answer] All visionary creations must some day appear in stringent text, suitable for a Riksdag proposition. But there are few who have been with it during the entire process, as I have. Rudolf Meidner did not want to be with it all the way. With his experience he said in 1975, 'If within 10 years from now there is something concrete out of this, something with a remote resemblance to my ideas--then I am satisfied.'

[Question] But as it has now developed, you have extracted all ideology from the wage-earner funds and masked them in objective inviolable statements which will be useful to small private businesses as well as to LO. I think that looks cowardly.

[Answer] Cowardly? But it is of course the only way to get anywhere. A committee appointed by parliament would immediately stall. Perhaps it is typically Swedish. I remember a foreign journalist. He thought it was so curious that the question of socialism should be dealt with in a committee.

More Humble Today

[Question] Have you never been disappointed with the Social Democrats who have not said, 'Now we will take up the fight on the funds. Here but no farther.' Instead it has been open hands, broad solutions and never-ending consultations?

[Answer] Certainly I have been disappointed. But one must have a bit of proportion. After all, to have come so far is a great success in the existing politically conservative climate.

One thing has, however, changed within the labor union movement during these 7-8 years. We are more humble about the funds issue. Originally the movement planned for 30 years in the future. The Social Democratic Party reacted against that. They wanted to be more careful, open one door and see what happens, open another and consider again. Now we are in step.

[Question] 'Humble,' you say. Would not 'watering down the fund proposal' be just as appropriate?

[Answer] The original funds proposal was a pure and beautiful creation. But all too square. Now it has gone through a necessary technical market adaptation.

[Question] The wage-earner funds have been used for many things. They have been offered as patent medicine for wage glides, inflation and drying-up AP [National Pension] funds, for increased profits and power over business. Have you never thought that they are used inappropriately in the political debate?

[Answer] Of course. When it is said that the wage-earner funds will deal with the problem of multinational firms. Or when the funds are to be able to bring doomed problem companies back to life. Or when people believe that the funds will influence firms not to produce poor quality. Then the funds are not valid as instruments.

But it is not surprising that the funds are really social remedies for almost every larger problem. They are a part of a basic conflict, the question of how labor and capital shall be shared.

Election Issue in 1985 Also

[Question] During recent months the funds have been offered primarily as a tool to control inflation and hold down wages. Is the argument still valid that the funds will give the wage-earners power over business?

[Answer] That depends entirely on our judgment of developments after having seen the reform function for 10 years.

[Question] You are not only a wage-earner funds expert. You are also a Social Democrat. Are you afraid that the funds will be the main issue in the 1985 election--again? Are the Social Democrats concerned about that?

[Answer] Afraid? That goes without saying. It is inevitable that the funds will be a major issue in 1985 also.

[Question] Finally, during the years you have promoted one solution after another. Do you believe that the recommendation for profit-sharing which you have just presented will become a reality?

[Answer] I must of course believe that. But if it does not go through we have clearly not done a sufficiently good job.

9287

CSO: 3650/198

PAPER RAISES ISSUE OF CP TIES TO EAST GERMANY

Copenhagen BERLINGSKE TIDENDE in Danish 17 May 83 p 12

[Editorial: "The Disclosure"]

[Text] Party comrade Ingmar Wagner did not have a good day when the congress elected members to the communist central committee. He explained this himself with a reference to the unfortunate burglary at his address, where he had in his possession a half million kroner, which according to his statement was capital which the party had nothing to do with. If his comrades, when they gave him so few votes, had known what they know today, they would have honored him. BERLINGSKE TIDENDE's information regarding where the money came from would have been confirmation of the fact that Wagner is a party comrade who is worth holding on to. He is a communist who has his connections in order and who is unquestionably in a position to do more for the world revolution than most of them who assembled under the red banners in the congress hall.

It appears that part of the 150,000 West German marks which the thieves pinched was paid out by the West German government. It was, of course, not paid directly to Wagner, but had made the rounds of the party apparatus in East Germany. It is part of the amount which had been paid by West Germany to the East Germans in connection with the "people swap" which included the return of some spies who were sitting in prison after disclosure of their activities, and permission for a number of East German citizens to leave the GDR. From Denmark's viewpoint it is interesting that one of those returned was the East German Jörg Meyer, who had been sentenced to six years in prison for espionage directed against the Danish State.

It is a disclosure Wagner must be distressed about. He certainly could have gotten a stronger official position in the party hierarchy if his comrades had knowledge of the fact that he is on such outstandingly good terms with the East German regime. But the disclosure is embarrassing because it is a very firm example of the relations which exist between the Danish communists and their fellows east of the Iron Curtain. The communist party, which attaches so much importance to behaving as a national party, has once more had it disclosed that it is a link in international communism. And it has again been demonstrated to the public that communists lie when it suits them. Ingmar Wagner asserted, when the money had been stolen from him, that it was a matter of good people's collected funds for the benefit of oppressed peoples. The truth, however, is that in any case part of the money had a background in just plain espionage activity.

It could be tempting against this background to raise several questions regarding the relationship of the communists to the espionage activity which is unfolding in Denmark. One could, for example, ask whether the fact that this ransom ended up with a prominent Danish communist is to be considered as payment for services rendered. The communists will, of course, not answer such a question. But they do not have to. The disclosure speaks for itself.

8985

CSO: 3613/118

MEMBERSHIP, INFLUENCE OF PARTIES' YOUTH ORGANIZATIONS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 29 Apr 83 p 4

/Article by Rolf Pitsch: "More Members, Less Influence"/

/Text/ The 'youth parties' often lose contact with their political base. They need better ideas. After the parliamentary elections and before the party congresses, junior members look for better programs and new leadership.

Junge Union Deutschlands (JU) /Young Union of Germany/, independent youth organization of the CDU and CSU: 260,000 members.

Jungsozialisten (Jusos) /Young Socialists/, working group within the SPD. Of 280,000 SPD party members under 35 years of age, approximately 25,000 are active Jusos.

Junge Liberale (Julis) /Young Liberals/, independent youth organization of the FDP. All 2,000 members are also members of the parent party.

Deutsche Jungdemokraten (Judos) /German Young Democrats/, independent youth organizations with no party ties: 18,000 members. About 1,500 are FDP party members; there are also close contacts with the Liberal Democrats.

(All membership figures based on information by the organizations.)

The youth organizations of the "established" parties have memberships running to six figures. Each year, they spend several millions of tax money, which they divide amongst themselves at all levels, from federal down to communal, through "Circles of Political Youth" (FPJ). Among the political public, they create less of a stir than formerly. Have they become well behaved? Are the Greens stealing their thunder?

They are primarily preoccupied with themselves: the Young Union (JU), Young Socialists (Jusos), Young Liberals (Julis) who are close to the FDP, and the decimated leftist Young Democrats (Judos) who, at their own behest, were booted out of the FDP. The "youth parties" get into the mass media only if they bleat against the parent party at party congresses, make unusual demands at party meetings or--like their elders--get into personal squabbling.

Their influence on parliamentary business is not overwhelming. They all point out that important sections of government policy statements on various specific programs, especially concerning environment and youth policies, actually came from them, but in personnel decisions their voice does not carry much weight.

In order to insert their demands into government policies, the Young Union wrote a letter to Helmut Kohl after the parliamentary election. In the meantime, the 11 specific demands in this letter had to be quickly reformulated into proposals and initiatives for the CDU national party congress in Cologne on 25-26 May. Some of the stale demands, even in the new wording, won't get anyone excited. The young politicians demand a shortening of the length of one's working life; they refuse repayment of the investment tax; reform of the promotion of vocational training seems too extensive to them. For all those who have "served"--either in the military or civilian service--they demand "some kind" of tax concession; in the case of government subsidies, however, they want cuts.

The Young Union will elect a new national chairman in November. Matthias Wissmann, 34, has been in office for 10 years. The CDU/CSU parliamentary group, he claims, calls him their "professional youngster." He will not run again and concentrates on his task as economic expert in parliament. In his opinion, the groundwork for succession is well laid: "Any possible successor will make a good successor." The Young Union needs a young boss who can lessen the distance between the often staid CDU youth and other young people loosely organized in self-help groups, citizens' initiatives and peace groups. Christoph Boehr from Trier is considered to have the best chance of being elected. He is not a "sunny boy" but rather a levelheaded thinker; to some, he is seen too often wearing a tie. In the expected election battle against Friedbert Pflueger, personal aide to Berlin mayor von Weizsaecker, Boehr probably will have on his side a majority of the votes--particularly from the Southern German state organizations--and the necessary support from above.

The Jusos don't have such worries. The time of the Voigts, Roths or Wiczorek-Zeuls is past. At present, there also seems no great demand for strong leaders. New elections will not be held until the spring of 1984. In the interim, one continues work against armaments; performs gymnastics as co-organizer of peace movement activities; and in between, makes efforts to retain one's position within the party. Peter Glotz, federal business manager, is pondering a more effective organizational structure for the juniors. It is primarily a matter of money. Even now, Juso election congresses can be held only every other year, because of an SPD cutback decision.

According to national chairman Rudolf Hartung, the "everyday mess of the epoch" (Wolf Beirmann) is to be finished off in the revision and elaboration of the basic program. What realistic steps are to be taken in mid-term, if a socialist takeover is not possible in the near future? Beyond "fellow-traveling" in the peace movement, there are only theoretical contemplations: on the effects of technological development, the dangers of media politics and a reform of social insurance.

The Young Democrats are getting ready to do political work in the foreseeable future as a general youth organization--similar to the Falken /Falcons/ who are close to the SPD. It is expected in Bonn that their supposed membership of 18,000 will drop to barely 3,000. For the "radical democratic" youth organization, the money source of the Circles of Political Youth would also dry up. For 1983, they will receive DM110,000 one more time from federal funds. (JU and Jusos each receive about half a million, Julis DM90,000).

In the distribution of RPJ funds, it does not seem to occur to the young politicians that the Greens might also hit upon the idea of establishing their own party youth organization in order to share in the money source. Eberhard Walde, one of the two federal business managers of the Greens, is of the opinion that one does not found a youth organization for the "purpose of raising capital." But only the future will show whether the Greens might not want to satisfy in this manner the many pleas for financial support from initiatives groups.

"The FDP drew a sure winner by recognizing the Young Liberals," exclaims Guido Westerwelle, deputy national chairman of the Julis. After the hard-hitting election campaign, the always fashionably garbed Lambsdorff disciples emphasize "image clean-up," With an environmental congress during the upcoming election campaign for the Hesse state legislature, they want to lift the FDP again above the five percent mark.

The Julis are worried about their parent party. Guido Westerwelle: "We watch so that the FDP does not become the party of old men." In the May issue of the FDP membership newspaper, NEUE BONNER DEPESCHE, Juli national chairman Hans-Joachim Otto makes proposals for the regeneration of the Free Democrats. He sees the growth of the Greens as indicative of the ossification of his own party and demands improved public relations and press work as well as election of the party chairman by all party members.

The parties judge their youth organizations by the influence they have--to a steadily declining degree--on the young generation. The Jusos, for instance, must fear for their position because they concerned themselves more with Nicaragua than with the problems of young German. At the CDU youth party congress in 1982 in Hamburg, where the Young Union was only one group among many, Helmut Kohl showed his juniors how he imagines the "dialogue" with youth. All young politicians must accept this challenge. Otherwise, they will leave the field of youth politics without battle to the Greens and Left Alternatives.

9917

CSO: 3620/340

BUDGET POLICIES MAY HARM FRANCO-GERMAN DEFENSE TIES

Paris LE MONDE in French 6 Apr 83 p 2

[Article by Dominique Moisi, aide to the director of IFRI; editor-in-chief of POLITIQUE ETRANGERE: "The Limits of Ambiguity"]

[Text] The resignation of General Delaunay, chief of staff of the army which is viewed by some as an example of ill-timed corporatist grumbling and by others as the consequence of inconsistencies in government policy--has symbolic significance. Besides starting a debate on French strategy and the role to be played by the army in the overall deterrence, does this resignation portend the weakening of the broad consensus on defense questions now existing in France?

For more than 20 years, ambiguity has been one of the factors in the success of our defense policy and its acceptance by the French. In providing France with an independent nuclear capability, the French administrations meant to protect France from all kinds of uncertainty. Our nuclear force was supposed to protect us against the weakening of the American guarantee and protection of Europe in the foreseeable future, while increasing, in the immediate future, our margin of diplomatic elbow room within the Alliance. It was also supposed to contribute to the strengthening of the western camp's aggregate deterrence vis-a-vis the Soviet threat by introducing an additional element of doubt, while enabling us, should this deterrence fail, to possibly fall back on our own resources, sheltered under our own atomic umbrella, protected as we were by our strategy of the weak deterring the strong. Finally, it was supposed to enable France to offer a European substitute for the American guarantee. In particular, it was a question of offering Germany a French guarantee, while providing France, by means of a weapon that it alone controlled, with a guarantee against this same Germany, whose then economic vigor and growing political strength worried General de Gaulle.

These ambiguities on the objectives sought were matched by ambiguities on the proper interpretation of our defense doctrine. Taking off from the same basic premise, one can read the original Gaullist proposal in either of two different ways. Insistence on the independence of our nuclear force and of our strategy of deterrence could lead to a hexagonal concept of our security, the concept of sanctuarization of our territory through nuclear weapons. This concept indeed approaches most closely a doctrine of armed neutrality. On the other hand, one can stress the concept of an extended sanctuarization. French defense cannot be conceived of outside of the European context. As aggression does not begin at our borders, deterrence cannot stop there.

The maintenance of this fundamental ambiguity between the two possible interpretations of our defense doctrine--"hexagonal" or "extended"--has enabled the formation of a consensus on our defense policy and the preservation of an internal balance. So long as the international environment remained stable, this ambiguity did not entail serious consequences. It is hardly possible today, however. Its maintenance, in fact, presupposed a certain number of conditions that are not now being met:

--that, in spite of its crises, the Atlantic Alliance would be strong and the American guarantee to Europe would be assured; that, in sum, the balance of forces and of intentions would be maintained:

--that the Federal Republic of Germany would continue to be a pillar of stability within the Alliance and the European Community;

--that France would not be involved in the negotiations on strategic arms control;

--that our economy would be stable enough that we would not be forced by budgetary pressures to make agonizing choices.

The Alliance's present crisis is different from earlier ones. The Atlantic Alliance used to rest on a balancing of imbalances that assumed the maintenance of U.S. superiority or at least parity vis-a-vis the USSR, stable economic growth and weak nationalistic sentiments. Whereas today the U.S. military guarantee appears to many Europeans to be as much threat as protection. The economic crisis is deep and lasting, and nationalism has resurfaced on both sides of the Atlantic.

A Danger of Side-slipping

The Atlantic Alliance, European Community and, in certain respects, French possession of an independent strategic force used to constitute answers to the German problem. Now, one may legitimately wonder whether--the CDU victory in the March 6 elections apart--German society today is not undergoing profound change. Awareness of this danger of "side-slipping," as well as concern for the maintenance of a balance of forces in Europe, basically explains Mr. Mitterand's speech to the Bundestag on the occasion of the 20th anniversary of the Franco-German treaty. If the FRG had backed down on the question of Euromissiles, thus recognizing the USSR's right to impose a veto on its foreign policy, it would have conceded implicitly that its security depended more on a dialogue with Moscow than on the cohesiveness of the Alliance. Having done this, it would have ceased to be a reliable partner for its allies and, in particular, for France.

But France cannot be satisfied with this speech alone, however opportune it may have been. In fact, one may wonder whether in reality, for budgetary reasons reinforced by internal political considerations, France is not in the process of limiting its ability to cooperate effectively with the FRG. What does it mean to affirm the intention of a common defense when budgetary restrictions can result in the reduction in strength of the French forces stationed in the FRG? What can be the meaning of a firm statement in favor of "extended" sanctuarization if the state of our economy is, in fact, pushing us toward an "all

nuclear" strategy based on the narrow concept of deterrence at our borders? The emphasis on strengthening our strategic forces signified by the decision to build a seventh atomic submarine, the modernization of our tactical forces with, in particular, the entry into service in 1991 of the Hades missile, which has a range of 350 kilometers, does not eliminate the need to strengthen our conventional arm. It is at the level of these forces that a real Franco-German cooperation can mean something.

In fact, if the extension to France of the dispute over pacifism, while always possible, does not represent a real danger, another danger of destabilization exists. Because Mr. Mitterand legitimately and courageously took sides in the Euromissile debate, he has set in motion in France a contradictory debate, which is developing upside down. If the consensus on defense policy threatens to break up in France, this is not basically for psychological or moral reasons, as is the case with our neighbors and allies. Rather, it is internal and foreign policy considerations that are endangering this consensus, which had been reached only with difficulty. But a dispute engendered by lofty motives can be as destabilizing as a dispute engendered by mean ones.

12336

CSO: 3519/453

DEL CAMPO ASSESSES 8 MAY ELECTION CURRENTS

Madrid YA in Spanish 10 May p 7

[Article by Salustiano Del Campo: "PSOE Ceiling"]

[Text] As this article is being written the final figures on the vote count of Sunday's local and autonomous elections are still not available; so that we have to omit some findings which are already being guessed at but which we cannot confirm. It would be appropriate, however, to say that the two main trends which I predicted last week have prevailed: namely, the consolidation of the two-party system, and the eclipse of the two current centrist options. The first of these occurred although the PSOE [Spanish Socialist Workers Party]--in spite of its triumphant attitude and its self-seeking silence--has been losing a percentage point each month, because its 48.4 percent on 28 October has been reduced to 43.4 percent today. The unavoidable conclusion follows that it reached its ceiling then, and that for reasons which we have been analyzing here this erosion is no small matter. As soon as he realized what was happening, President Gonzalez declared that he fervently supported a dialogue with those whom he calls "social intermediaries," which is none other than what some months ago I called social opposition. The idea that the accumulation of power in the government party transforms it into an irresistible leviathan thus proves to be intrinsically unsound; in a democracy there are always limits and checks, and this is the first thing that those who hold power need to learn.

I get the impression that the PSOE is trying to hide its own disappointment behind a curtain of derogatory remarks about the Popular Coalition, which it thinks fell far behind its own share of the votes. It will be difficult to keep up this tactic for long in a country which saw the UCD [Democratic Center Union] melt down to almost nothing, and is no more than a rationalization, since Fraga is not Suarez or Calvo Sotelo, and in a democracy the professional, economic and cultural sectors do not like to take on political commitments. That is something which is typical of totalitarian regimes, and it cannot be justified at a time when the Spanish people have clearly established that they prefer the two-party system. No one denies that it is one-sided; but it is important to note that the AP-PDP-UL [Popular Alliance-Popular Democratic Party-Liberal Union] have been able to surmount some furious attacks while demonstrating close cooperation and confidence in their own strength. Fraga has not reached a ceiling; but has a hidden vote which the polls do not reflect, which however is unmistakably expressed on holidays, working days, and in general, autonomous and local elections.

Now is the time to show what can be done, following the course pointed out by the voters. In my humble opinion, the political establishment should prepare itself to work within those two great democratic ideological systems: the Socialist Party and the Popular Coalition. There are no others; and only in this way can the worthy desire to tone down our confrontations be satisfied, because the idea of carrying it out from small platforms does not seem to be viable, at least for now. The harsh experience of Adolfo Suarez and Antonio Garrigues should not be repeated. The former had a third-class political funeral, and the other a first-class stumbling exit which will be very difficult for him to overcome. Everywhere it is the most informed voter who is the most reluctant to join a party and who finds that existing programs do not suit him at all. For him politics is always a clumsy simplification. In view of what is going on in Spain, it is very possible that it will be a long time before a centrist group can be put together which will be able to attract the minimum required by law to obtain parliamentary representation in every corner of the nation. At least that is what the leaders and notables who are continuing to buzz around that space are taking a long time to admit--that if they do not unite they can do nothing, since one by one they will come to a harsh end.

8131

CSO: 3548/408

NEW DOCUMENTS INDICATE BAHR ROLE HURT CORRIDOR ZONE CHANCES

Stockholm DAGENS NYHETER in Swedish 25 May 83 p 6

[Article by Harald Hamrin: "Corridor Issue--Bahr's Assistance Worsened Chances"]

[Text] The Swedish proposal in December 1982 for a nuclear weapon-free corridor in Central Europe has been put on ice until further notice. One of the main reasons is that official reactions to the proposal in the majority of cases have been so negative that it is considered difficult now to push the issue farther.

The corridor issue is being taken up in the Riksdag debate on the cabinet meeting minutes on Wednesday. New documents show that the West German Social Democrat Egon Bahr's assistance in helping write the Swedish note on the corridor question resulted in the chances of its success, which were already uncertain, being further worsened.

Among other things this involves the central political question in the Swedish proposal, namely linking the proposed corridor to the relative strengths of the East and West in conventional weapons.

During the work on the so-called Palme Commission report--which formed the basis for the Swedish corridor proposal--several commission members from the West claimed that a precondition for setting up a nuclear weapon-free corridor was that the East and West first manage to agree on an approximate balance of conventional weapons. The East is today considered to be superior in conventional weapons.

This conception is advanced by, among others, former foreign ministers of the United States and Great Britain, Cyrus Vance and David Owen.

The Canadian commission member, Robert Ford, also held strongly to this view, according to a source in Ottawa.

Watered Down

In the commission's final report "Common Security," the formulation of that point was, however, watered down because it was desired to reach a compromise. In the report it was said that the establishment of the corridor and a conventional arms balance must be attained in "connection" with each other.

The Swedish note, however--which was mainly written by Egon Bahr--went one step away from the interpretation claimed by the West, that the sequence must be conventional weapons balance first, and then the corridor free of tactical nuclear weapons.

Canadian Sympathies

Anonymous diplomatic sources claim that this change by Bahr--and the Swedish note--was a very important reason for the chilly reception by NATO to the Swedish proposal.

Positive responses have, however, come from the Soviet Union and other Warsaw Pact nations. They recommend, however--with Romania as the only exception--that the corridor be 600 km wide instead of 300 km.

Prime Minister Olof Palme has, however, denied that there is any difference of that kind which was previously mentioned.

DAGENS NYHETER can today present the contents of the Canadian Government's response to the Swedish proposal. In that response, which was delivered on 28 March, it said that Canada was "in principle very sympathetic" toward different forms of nuclear weapon-free zones.

After "careful consideration" the Canadian Government had, however, come to the conclusion that there is reason to have "serious reservations" concerning the Swedish proposal.

"A comparison between the report of the Palme Commission and the Swedish note shows that the Swedish proposal differs in a basic way from the ICDSI's (meaning the Palme Commission's) proposal, which clearly made the establishment of a conventional weapons balance in Central Europe a decisive precondition," it says among other things in the Canadian response.

In the response it further says that the Canadian government "is not convinced that the objective of a corridor--to create confidence between East and West--can be attained as long as it does not become "a part of a general balance of strength in conventional as well as nuclear weapons."

Norwegian Criticism

The Norwegian Government also criticized Sweden indirectly in its response for having rewritten the commission's report on this point.

That is the most politically sensitive point on which the Swedish note varies from the Palme Commission's report.

Recently in the hearings before the Riksdag Standing Committee on the Constitution--whose material on this question was released on Friday--Prime Minister Palme said that the Swedish note--and Bahr's draft of it--only comprise "a summary of the commission's proposal, and therein the versions are close enough to being identical."

"The attempt by DAGENS NYHETER to create a difference between the commission report and this is doomed to failure," said Prime Minister Palme before the Constitution Committee.

Also on other points, however, Egon Bahr's writings have resulted in deviation from the commission report. The report mentions "purely for the purpose of illustration" a width of 300 km for the proposed corridor. In the Swedish note that has been changed to a clearly stated recommendation for such a width.

"In this way Bahr goes one step farther than the Palme report by recommending that the proposed zone should have that width," says a memorandum from the Foreign Ministry of 1 December last year.

In that memorandum it was further confirmed that the proposed Central European corridor linkage to the Nordic area and the Balkans "should be further clarified"--something which, however, did not happen before the Swedish note was delivered. Also here--in the question of linkage between the proposed corridor and both the flanks of the military blocs in the north and south--there are politically important differences between the Palme Commission report and Bahr's draft.

Probing

The Foreign Ministry's disarmament unit also recommended in the same memorandum that Sweden should "further probe West Germany." However that has not happened either.

On the other hand the secretary of the Palme Commission and Sweden's current UN Ambassador Anders Ferm, had already recommended in the beginning of November in a memorandum which was published by the Riksdag Standing Committee on the Constitution, that Prime Minister Palme should "make further contact with Egon Bahr." Palme should also inform neutral Austria's then Chancellor Bruno Kreisky "about the notes which the Swedish Government is going to deliver to the Austrian Government, among others, and get Kreisky's support."

Cool Kreisky

According to what DAGENS NYHETER has learned, that was regarded as more important, because within the cabinet committee in Stockholm it was known

that Kreisky was tolerably cool to the idea of a nuclear weapon-free corridor in Central Europe.

The Foreign Ministry in Stockholm has now prepared a combined position and analysis of the incoming answers. All the countries except two have so far answered the Swedish corridor proposal.

It is already clear, however, that the issue is not going to be pushed hard just now.

"It would be unwise," said one source. "Conditions are not right to deal with the corridor just now. Attention is now focused on other negotiations, in Madrid and Geneva."

At the same time, well-informed sources say that the issue will not be considered dead, but can be taken up again later.

9287

CSO: 3650/198

SWEDES START TO ASSESS LATEST SUB INCURSION OFF SUNDSVALL

Domestic Minisub Project Halted

Stockholm SVENSKA DAGBLADET in Swedish 15 May 83 p 6

[Text] "Kockums has a complete submarine concept, a kind of minisub for underwater work, for example in connection with oil production. The project has been halted, however, and no submarines have been built."

This was stated by Pertti Kinnunen, head of marketing at the marine division of Kockums in Malmo. Several years ago Kockums made public its minisub concept for the first time at an exhibit in Houston in the United States. At that time there was much interest in the idea.

"Several of our competitors constructed submarines based on the same idea. Kockums put the project aside, however. Our technical work in connection with offshore drilling took other directions. Now we hesitate to send people underwater. The technical solutions that are most feasible today employ operators above the surface of the water who control an unmanned ship that can conduct various operations, for example inspection and repairs."

The type of minisub designed by Kockums in the late seventies could remain on the sea bed for about 70 hours. Then it would have to surface to recharge its batteries and take on fresh air.

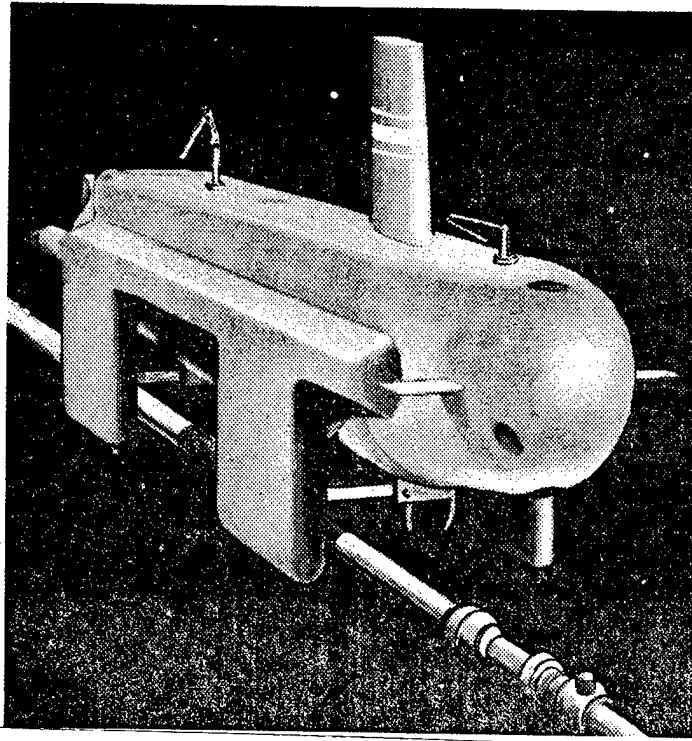
Pertti Kinnunen was asked if this type of submarine could have been the vessel sought by the Swedish navy near Sundsvall.

"As I said, our competitors built several submarines of this type, but in answer to your question I have no more idea than anyone else concerning this matter," Pertti Kinnunen said.

Liberal Party Chief Comments

Stockholm SVENSKA DAGBLADET in Swedish 15 May 83 p 6

[Text] "The submarine incursions are a challenge to our neutrality--the most serious we ever have had."



Artist's rendering of Kockums' minisub for work with oil pipelines.

As recently as last summer Ola Ullsten met with Soviet Foreign Minister Andrei Gromyko and was given the impression that Gromyko was attempting to reduce the political effects of the Karlskrona incident.

"This is why I am surprised at the total indifference to our recent protests," Ullsten said.

"I also am surprised that the Soviet leaders believe these military operations are worth this high price: the role of the Soviet Union in the peace effort is being undermined. They seem to be candidates for political suicide."

According to Ola Ullsten, however, one lesson from the submarine affair near Karlskrona was that it takes such a long time for Moscow to make decisions.

If we were to sink a submarine, what would happen then?

"It is clear that the reaction would be violent."

Sundsvall Sub Chase Operation Commander Profiled

Stockholm 7 DAGAR in Swedish 13 May 83 p 2

[Article by Mats Gezelius]

[Text] If you expect to find a General Patton behind the operations in Sundsvall, you will be disappointed. But this probably is for the best, according to one of Rolf Wigur's colleagues.

Instead, a thoughtful, pipe-smoking, modest, and pleasantly humorous major general, Rolf Wigur, is the man behind the operations. If it were not for the green uniform of a general, he could sooner pass for a university professor of data processing than for the stereotype of the obstinate, ruthless, and reckless military leader.

As chief of the Lower Norrland Military Region, Rolf Wigur has control of mines and bombs. It is he who has the mandate of the commander in chief to decide, within a broad range of measures, what type of force patrol vessels out in the field should use to force submarines to the surface. In this position, patience and perseverance may be of more use than bravado.

Administrative Career

Nor did Rolf Wigur win the emblem on his collar and his title of major general for his reckless mentality.

He became an officer for other reasons. One reason is that 55 years ago he was born outside the gates of Ranger Regiment I 5 in Ostersund, Jamtland, where his father was a noncommissioned officer.

After junior high school he enlisted and continued his education at the armed forces school for secondary education parallel to his military training. After a rapid rise through the lower ranks, Rolf Wigur's superiors realized that he could be of most use in an administrative career. After being attached to various regiments throughout the country, he had his greatest success as a researcher and administrator: at the Recruiting and Replacement Office, at the Research Office of the Army Staff, at the Central Planning Unit of the Defense Materiel Administration and at other perhaps less glamorous, but certainly important and worthwhile areas of our military defense.

The politicians also discovered his capabilities and back in the mid-sixties he was an expert member of his first parliamentary investigation, which dealt with enlistment and personnel accounting. He was given a more complex task as an expert on a committee studying price regulations on defense expenditures and later he was an expert for the 1974 defense study.

During the early seventies he made a "guest appearance" in (almost) private industry at Saab-Scania in Linkoping. During the late seventies he was at the

Defense Ministry where he worked with planning and the budget.

Fools With Minicomputer

In other words, he was a steady but anonymous toiler in the military system and probably would have remained so had it not been for the Russians. This possibility never occurred to him last October when he moved back to Ostersund, the town of his childhood, to live with his wife Britt in the neighborhood on the south side of town where she lived as a child.

He thought he would finish his career here quietly, do his job on the regional military staff, see his old friends, and fool around with his minicomputer in the evening.

This is just what he would have done had not the Russians appeared on the scene and forced Rolf Wigur into the limelight--the great submarine hunter who was expected to tell the impatient public when the big fish would be landed.

By this time, he probably would prefer the fishing waters of Jamtland, where no one demands answers for every trout that gets away. There he could enjoy the peace and quiet of his campfire, puff on his pipe, and rejoice over the catch that resulted from his skill and patience, with the help of Providence.

Sub Detonated Mines with Magnet Impulses

Stockholm NY TEKNIK in Swedish 13 May 83 p 2

[Article by Christer Larsson]

[Text] Sundsvall--The foreign submarines now violating Swedish waters can activate magnetic loops and detonate mines from a distance. This sensational report was confirmed by the Defense Materiel Administration. Remote activation is accomplished with electromagnetic pulses--or electromagnetic warfare.

Electromagnetic warfare now is underway on the sea bed near Sundsvall. It is occurring without a sound and without a trace. What is happening is known only by a small group within the military.

A foreign submarine can use strong electromagnetic pulses in the water to make the navy's magnetic loops and mine fields react as if a submarine were passing.

This can activate and detonate mines. The intruding submarine can observe these events from a distance.

This could explain why the powerful mine explosions in Mysingen and near Sundsvall have yielded no visible results, even though the presence of a submarine was clearly indicated. In addition, the submarines may be able to take much more punishment than previously believed.

These reports have come from several centrally located sources within the navy

and have been confirmed by the mine section of the Defense Materiel Administration.

Strong Disturbances

The mine section of the Defense Materiel Administration also confirmed that mine lines and magnetic loops in the regions where submarines have been discovered have experienced major disturbances. This is true both of Harsfjarden and the waters off Sundsvall.

These disturbances come in the form of a powerful noise that makes work difficult at the mine stations.

The navy now is putting submarine nets into place in conjunction with its mines off Sundsvall.

Because of the electromagnetic disturbances, it is impossible to tell exactly what the magnetic loops and mine bands actually indicate.

There are at least three ways to affect and interfere with magnetic loops and mine bands. This can occur at distances up to several hundred meters and without leaving any visible traces.

First of all, a conventional submarine can use its large battery capacity to build up a strong magnetic field that reaches far beyond its own hull. This can occur with increasing intensity for a suitable amount of time with no major mechanical operations.

Secondly, special equipment can be developed for generating an electromagnetic pulse that is propagated forward under the water. This could be used in mini-sub with lower battery power.

Thirdly, powerful, long-wave radio signals can be used. Such signals can travel long distances through the water.

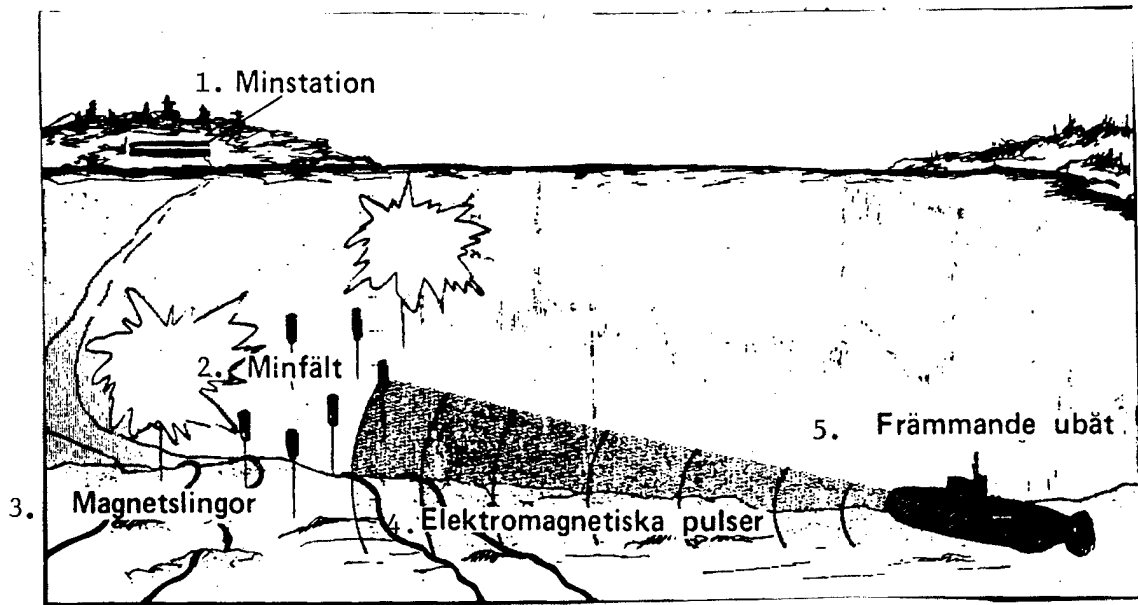
Weakest Point

In any case, the result can be that instruments at the mine station indicate that a submarine is approaching and passing, while the submarine actually remains at a suitable distance.

The navy still does not fully understand the extent of electromagnetic warfare and its consequences for Sweden.

It has been confirmed unofficially that all magnetic loops and mine bands that are in place during peacetime have been examined. One reason for this was the various types of disturbances and false alarms that have occurred.

The magnetic loops are the weakest point in electromagnetic warfare. In many places they are antiquated and have been in even worse condition previously.



Key:

1. Mine station
2. Mine field
3. Magnetic loops
4. Electromagnetic pulses
5. Foreign submarine

Those now being put into place have been in storage for many years, according to submarine commission chairman Sven Andersson. At times, inspection of the Swedish magnetic loops has had disturbing results. At some mine stations the cables to and from the magnetic loops have been in such poor condition that some long-wave radio transmissions have caused disturbances in the electronic systems of the mine stations.

For this reason, the insulation on certain sensitive parts of the mine stations' equipment has been replaced and improved. But other parts are almost impossible to improve.

"It is like putting a cast on a broken arm," one source in the navy said. "We can put one on here and there."

Phantom Targets

"But if we put on too many it can have the opposite effect. Instead of preventing a few disturbances, the system may provide no alarm at all from the magnetic loops on the sea bed."

The various possibilities of electromagnetic warfare in Swedish waters put a new perspective on the massive intrusions by foreign submarines this past year. This may explain why, again and again, the navy's most powerful mines have yielded no results. It also may explain why no trace has been found of the torpedo-like phantom targets with which most submarines ordinarily are equipped. They are used to confuse the enemy in a war situation.

Weapons Against Mines

Electromagnetic warfare also can be used directly against certain types of mines.

This is the case with older mines that are magnetically sensitive and are detonated automatically as soon as the mines are activated. In this case, they would explode immediately.

It also may be assumed that the barrages, sensors, and detonators of the latest Swedish mines are known by other countries.

In 1977 a mine disappeared from the region off Sundsvall where the latest submarine chase took place. This means that even modern mines are not safe from electronic warfare, even though they contain several types of independent sensors and detonators. "In a war situation, we may expect to see one or more foreign submarine leading an invasion force," one of our naval sources said.

Blast Holes In Mine Lines

"Using powerful electromagnetic pulses, the submarine could blast hole after hole in the line of mines."

"Most of the mine fields would be known in advance, since they are in place even during peacetime."

Some Swedish studies have been made on various ways to produce electromagnetic fields under water. They were made by FOA (Defense Research Institute), but they hardly are of interest now.

Instead, the special submarine group recently formed at FOA may be used to counter the new underwater technology.



Foto ARBETET

Personnel working at the mine station report extensive disturbances when a submarine chase is underway. These disturbances make it difficult to decide whether or not a submarine actually is passing. The lights on the wall light up when the equipment detects a strong magnetic field. The mines explode automatically or are detonated by personnel at the station. The explosions at both Harsfjarden and Sundsvall were initiated manually.

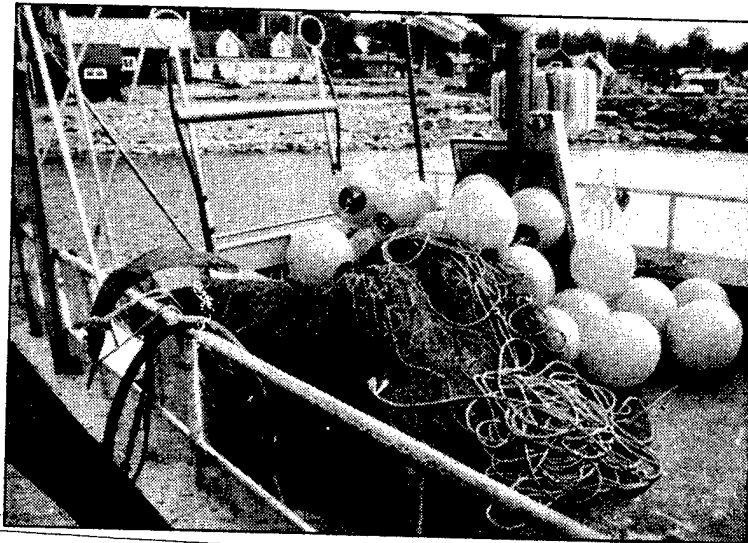


Foto ROLF OLSSON

The belief that foreign powers can affect magnetic loops and mines around Alnon has made the navy literally cast nets into the sea. These "submarine nets" are not affected by electromagnetic disturbances, but move on the surface if a submarine actually passes. They are specially made heavy-mesh nets of synthetic fiber made by a local fisherman. The nets reach the bottom of the sea and have red markers on the surface.

DEFENSE MINISTER ANDERS THUNBORG GAINING STATURE IN POST

Stockholm 7 DAGAR in Swedish 6 May 83 p 2

[Article by Eva Hamilton]

[Text] Anders Thunborg was not exactly humming euphorically to himself when he packed up his brilliant studies of nuclear weaponry and his penetrating policy analyses and came home to fill the position of defense minister.

But for the first time in his short career the Swedish ambassador to the U.N. in New York hadn't had much choice. He had been given an ultimatum: "Either you take the place of 'Red Borje,' who just got on the train for Borlange, or...we probably have another embassy somewhere we could assign you to. At any rate..."

Thunborg was obviously not thrilled with the idea of changing First Avenue, New York for Terrace Greenock House in New Zealand or Avenida 12-70 in Guatemala City. Or for Rosenbad, Stockholm.

"Life isn't all fun and games," he sighs when people ask him privately about the ministerial position.

His public answer to the same question is different:

"Clearly, I was obligated to stand up and be counted as a loyal old Social Democrat."

But this loyalty, which hangs so heavily on Thunborg's small person, is a relatively new burden. It wasn't heavy enough to pull him down to a position as minister of trade, for instance.

But it was precisely a step downward which was involved.

The position of Foreign Minister would have been better suited for a man of Thunborg's background. It would have been an obvious appointment to make, after the Social Democrats got to form up the government again last fall--even if the head of the government hadn't happened to be so very interested in foreign policy himself.

According to Foreign Ministry gossip, Olof Palme shied away from appointing a difficult and hard-to-dominate person like Thunborg to be in charge of his own favorite domain. To avoid embarrassment, then, the U.N. ambassador was offered a newly created post as minister of trade--a minister without a department of his own.

Touchy Under Pressure

Anders Thunborg had not spent many days in Stockholm before the windows in his flat in the high-class Ostermalm district were shattered by a gas explosion. And on top of that, a few days later disquiet began to brew over another explosive issue: the report from the Submarine Commission.

The chairman of the commission, as everybody knows, was former Defense Minister Sven Andersson, who had been the young Anders Thunborg's boss at one time. The old defense minister and the new one had had, since that time, great trust in each other. It was no surprise, therefore, when Thunborg turned out to be the only one in government circles who continually kept himself informed of what was going on in the Submarine Commission.

That observation has caused Anders Thunborg considerable worries.

The unhesitating accusation against the Soviets and the difficult conclusions of the Submarine Commission's report are, namely, something which Olof Palme would never have approved, if he had had a chance to stop it.

Anders Thunborg was certainly well aware of that. Squeezed tightly between the head of the government and the former minister of defense--and convinced, for his part, that the report's conclusions were correct--Thunborg, usually so much in control of things, showed evidence of being touchy under pressure.

And he had hardly filed away the proceedings of the Submarine Commission in the top drawer before the time came for the next skirmish--JAS.

"Skillful" and "knowledgeable and authoritative" were the judgments of defense supporters after the speech by Thunborg which ended with the following message: Sweden needs JAS.

It was different from the times when Thunborg served as the youngest under-secretary ever to serve in the Defense Department. One general grumbled:

"It's ridiculous for the High Command to have to take orders from a little twerp like that."

Another story, several years old, also refers to Thunborg's five feet six: When you go into the cafeteria in the U.N. and see a bunch of people standing and looking down into a hole, then you know that the Swedish ambassador to the U.N. is standing down there, leading the discussion.

CSO: 3650/199

LIST OF FOREIGN SUBCONTRACTORS FOR JAS ISSUED

Stockholm DAGENS NYHETER in Swedish 25 May 83 p 9

[Article by Peter Bratt: "Building of JAS to Begin This Summer"]

[Text] The Swedish aviation Industry Group JAS on Thursday released a list of foreign subcontractors for the JAS [Fighter-Attack-Reconnaissance Aircraft]. This relates to orders for 500 million for manufacture of parts for the first 30 aircraft. The foreign companies have "morally committed themselves" to find compensation business in Sweden for corresponding amounts.

The Industry Group [IG] JAS, which consists of Saab-Scania, Volvo Flygmotor AB, LM Ericsson, Ericsson Radio and Forenade Fabriksverken, arranged a press conference in Stockholm.

The managing director of IG JAS, Harald Schroder, has succeeded Tore Gullstrand as head of Saab-Scania's aircraft division. Schroder said that the manufacture of the first five test aircraft will begin this summer. In 1987 JAS will fly, if everything goes according to plans.

IG JAS has previously undertaken to arrange 800 jobs in employment-sparse regions in connection with the JAS project. In March the industrial department reported that IG JAS had decided on 500 of the 800 jobs.

At the press conference the statement about the 500 jobs was repeated, with the addition that 80-90 percent of these are going to be located in employment sparse regions.

Ericsson will locate in Lulea with 50 employees, in Skelleftea with 25 employees, and in Karlstad with 25 employees. Forenade Fabriksverken (FFV) will, together with Asea Plast AB begin the manufacture of weapon details in Pitea. Between the two it is estimated that there will be 50 new jobs.

Sensitive

The choice of subcontractors for the most important aircraft parts has now been confirmed, and IG JAS has signed agreements with 10 different concerns.

The most sensitive technical parts are the control system, which is being manufactured by American Lear Siegler, and the wings of carbon fiber reinforced plastic which are being manufactured by British Aerospace in cooperation with five engineers from Saab-Scania.

In agreement with the Swedish state, IG JAS has guaranteed certain obligations. The firm will pay a fine up to 750 million if it does not accomplish the undertaking. A failure for IG JAS would probably have the serious consequence that future Swedish production of civilian aircraft would be thwarted.

The foreign subcontractors have undertaken to try to procure compensation business in Sweden for amounts equal to those for which they signed agreements with IG JAS. That could mean manufacture under license, which will probably be the case with the landing gear, or businesses in entirely different areas.

Compensation

The Export Council will support IG JAS in this work. Its representative at the press conference, however, made it clear that businesses will participate only if they are interesting for General Electric--whose total purchases from subcontractors is as great as the entire amount of Swedish export--and the other firms.

Compensation businesses are common with large aircraft projects. When Saab-Scania competed in Europe for a large order for "Viggen" a number of years ago, the firm made promises of extensive compensation business.

"But then we made binding promises," said the managing director of IG JAS, Harald Schroder.

How much the moral commitments are worth in money, we shall see in the coming years.

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BRIEFS

LARGEST HYPERBARIC CAISSON--Sixteen divers will be able to live together in this hyperbaric caisson, the world's largest to date, built by Ateliers et Chantiers de Marseille-Provence for Comex [Compagnie Maritime d'Expertise]. This impressive steel tube is 17 m long, 2.3 m in diameter, weighs 40 tons, and required 6,000 hours of labor. It is divided into two compartments, each with eight bunks, and each equipped with tables, chairs, and sanitation facilities. It makes possible the simultaneous saturation of two teams at different pressures, if need be, and to a limit of 45 bars, which corresponds to a depth of approximately 450 m. After returning to the Comex shops to complete its equipment, this diving bell has resumed its place in the hold of the Seacom, a dynamic positioning support vessel under construction at La Seyne shipyards, Var. The vessel is to be placed in operation next year by Comex Service. [Text] [Paris L'USINE NOUVELLE in French 14 Apr 83 p 90/ 6145

GSO: 3519/464

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