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TRANSLATIONS ON WESTERN EUROPE

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## INTERNATIONAL AFFAIRS

### NORDIC COUNCIL'S EFFECTIVENESS, LANGUAGE BARRIERS REVIEWED

Stockholm DAGENS NYHETER in Swedish 23 Mar 77 p 9

[Article by Dick Ljungberg]

[Text] The Nordic Council will be celebrating its 25th anniversary next week when its members meet in Helsingfors. Celebrations include, among other things, the introductory use of simultaneous interpretation in the discussions. The languages -- the foundation for the collaboration between the Nordic countries -- are becoming more and more different from each other.

When the national committee of the Center Party had its big dinner at Ystad in June of last year, one of the speeches was given by the guest invited from the Danish left. He spoke at length and in great detail, and received long and warm applause.

But gloom spread across the tables as it became known that the Dane had said, among other things, "atomic energy is what we need." Few had understood that.

During meetings involving the Nordic countries, especially Swedes and Danes mingle and pretend to understand each other. They are embarrassed to ask...

The increasing confusion with regard to languages will be taken up next week when members of the Nordic Council meet in Helsingfors. It is their 25th anniversary and it will be celebrated by the use of simultaneous interpretation for the first time during the session.

This was established by Finnish delegates at the meeting in Copenhagen last year. The prevailing attitude was that the selection of members for the Finnish delegation should not be limited to those who know Swedish. The other countries hesitated up until the last minute; they felt that some of the very special character of the Nordic Council would disappear if simultaneous interpretation were to be introduced.

The Danes feared that interpretation would make Swedish the official language of the Nordic Council, since interpretation into Finnish usually is done via Swedish.

"I intend to petition that each delegate of the Nordic Council take a short course outlining how to speak his own language in a way which is most easily understood by other members," says Per Olof Sundman (from the Center Party) who is vice chairman of the cultural delegation to the Nordic Council.

#### Bureau

The delegation wants to have a Nordic language bureau which would function as a center for co-operation between the language committees of the different countries. During his time as a delegate the People's Liberal Party leader Gunnar Helen petitioned among other things for a joint effort to improve linguistic understanding in the Nordic countries.

"It is the spoken language which creates difficulties. One can understand each other's written language quite well. It is usually said that there are only 300 words which cause problems between speakers of Swedish, Danish and Norwegian," says Per Olof Sundman.

People who participated in meetings between the Nordic countries during the 1920's say that at that time it was much easier for Swedes and Danes to understand each other. In the Copenhagen theaters during the twenties and thirties one took great pains to speak as clearly as possible so that those members of the audience who came from Malmo would also be able to understand. "Today I think there are very few Swedes who really derive much pleasure from a visit to the theater in Copenhagen."

What is the reason for the increased linguistic confusion?

"I think it may be a question of tempo. One speaks more quickly nowadays. The Danish spoken in Copenhagen, for example, is more difficult to understand than the Danish spoken in other regions. And Danes testify to their great difficulties in understanding Swedes who speak quickly," says Sundman.

"A new-comer in Nordic collaboration, Minister of Education Jan-Erik Wikstrom, sets a brilliant example of how to speak Swedish in a manner which is easy to understand: he speaks distinctly, at the right pace and uses short sentences."

#### Schools

Courses dealing with the languages of neighboring Scandinavian countries have been reduced, but teachers of native languages in the Nordic countries have initiated improvements. Sundman is also chairman of a Scandinavian group which is trying to obtain more information about Nordic collaboration in schools.

But are the young people interested in Scandinavia?

Studies show that during the sixties young people became increasingly interested in more remote countries. The Nordic questions have been pushed into the background. But now teachers who work in this field report that interest in Scandinavia is on the rise again.

But for members of the rising generation this collaboration is not so self-evident. They are not aware of all that has been done: the exemption from the requirement of a passport, the open labor-market, the social conventions, etc.

The same probably goes for the languages. Norwegians are fairly easy to understand, the argument goes, and Danes are a bit more difficult to understand. The fact that only a fairly small effort is needed to bring about a considerably higher degree of comprehension is thus overlooked.

Some talk about a future Nordic television satellite. An addition like this certainly would improve language comprehension, would it not?

"Yes, television can play a great role, We do know that the comprehension of Swedish is considerably better in areas in Norway and Denmark where Swedish television can be picked up."

#### Irritation

So Swedish television should broadcast Norwegian and Danish programs without subtitles?

"Considering our present language barrier, this probably would not be a wise decision," says Sundman. "Rather, it would cause irritation."

"But at times I think wiser decisions could be made as to what should be subtitled. It seems completely senseless to sub-title Jens-Otto Krag, for example, when he speaks his best Scandinavian; or to sub-title a fisherman from the Lofoten Islands who speaks a language fully comprehensible to Swedes."

Will the time come soon for the Nordic Council to have simultaneous interpretation between Swedish and Danish also?

"No, that would be complete capitulation, of course," says Per Olof Sundman. "This should not be done before all other methods have been tried."

#### Background

In 1949 negotiations concerning the establishment of a Nordic defense union between Sweden, Denmark and Norway broke down. The neighboring countries joined NATO.

Instead the Nordic Council was founded in 1952.

In 1970 negotiations concerning the establishment of a Nordic free trade union, called NORDEK, broke down. Denmark joined the Common Market.

Instead the Nordic Council of Ministers was formed.

Cynical observers now wonder what organization will be formed when the next Nordic project of grandeur fails.

No, the Nordic collaboration has progressed on the everyday level and to such a degree that much of what has been achieved is now taken for granted: we travel without passports between the Nordic countries, the labor-market is open, the social legislation has been co-ordinated, for example, with respect to health insurance, pensions and benefits in connection with pregnancy.

Out of the remains of NORDEK the Nordic Investment Bank was formed; the Norwegian gas and oil discoveries in the North Sea will form the basis for new collaboration projects, to mention some current examples.

"The Nordic Council is sometimes presented as a gigantic party club, which gathers annually for a session during which one banquet follows the other," says Olof Palme, newly elected chairman of the Swedish delegation to the Nordic Council.

But nothing is more erroneous. The everyday existence of the members of the Council is grey, filled with work and sometimes also with set-backs. It is a matter of bringing about a compromise not only between the opinions of five different countries, but also between a great number of different political opinions.

"The greatest achievement on the part of the Nordic Council is the fact that members solve many smaller problems which, when taken together, increase the understanding between these countries," says cabinet member Johannes Antonsson, whose task it is to also manage questions concerning Nordic collaboration in the government. The purpose of an organization like the Nordic Council is not to solve problems which are of such a delicate nature that they make it difficult for membership nations to participate.

During the anniversary session in Helsingfors next week several questions will be discussed, among others the issue concerning a Scandinavian program about the working milieu; there will be a conference on collaboration between provinces in the different countries which share borders, especially in the Arctic area, and on collaboration concerning a Scandinavian television satellite.

## Stories

The Nordic Council is mainly a discussion group in which the Nordic parliamentarians meet and get to know each other. The particular negotiations which take place during the sessions are usually not considered overly interesting. At the meeting in Copenhagen in 1976 a Swedish delegate catches sight of Lena Hjelm-Wallen, who was a cabinet member at that time: "Where have you been? I have not seen you for a long time."

"That must be because I have been in my seat in the plenary hall the whole time."

Danish reading practice from the Politik in 1971: "Prime Minister Olof Palme was 20 minutes late for the meeting of the Nordic Council at Christiansborg, because the shoe polisher at the Royal Hotel had given the Prime Minister's only pair of shoes to somebody else by mistake. Palme's secretary located the lost footwear."

During a break in the meeting of the Nordic Council, Swedish Foreign Minister Torsten Nilsson, Ambassador Sverker Astrom and others took the opportunity to study the more unbridled night life of Copenhagen. Somewhat disappointed they returned from the restaurant at the central station.

There are several stories about parties connected with the Nordic Council. The following one, belonging to the group of more exotic stories, originated in Iceland in 1965, where shark was served according to the following recipe: "Bury the shark meat under the Icelandic lava soon after the fish has been caught and leave it there for a few years. When appropriate guests appear, dig out the shark meat and cut it up into small cubes. It tastes very much like well-seasoned cheese, but has a much more rancid taste."

Icelandic entertainment is also known for its unusual intensity. After the meeting in 1975 Olof Palme said: "Iceland is like a big Oceanliner which is about to sink in a few hours. So the merry-making was intense."

According to many a free-loader the greatest advantage of the Nordic Council is that it provides better opportunities than one can ever find at home for cornering members of one's own government and telling them a few home truths.

However, according to one member, the idea of Nordic unity must not be carried so far that one can not get an allowance for expenses when visiting the neighboring countries (Marianne Hook at the meeting in Oslo, 1968).

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## INTERNATIONAL AFFAIRS

### NORDIC PULP PRODUCTION FACED BY US COMPETITION

Stockholm DAGENS NYHETER in Swedish 23 Mar 77 p 28

[Article by Lars Ramklint]

[Text] The Nordic influence on the European pulp market has reached its peak, and our geographical advantage is losing importance as modern distribution systems are being developed for American and tropical pulp competitors. But we will have no problems selling our pulp. This is how general manager Bo Wergens summed up the state of the present competition for members of the Swedish pulp industry during Tuesday's plenary session of the timber industry's theme week.

Under the theme "Nordic Forest Industry Meets with Keen Global Competition" the future development of the forest industry in different parts of the world was elucidated.

The tropical forest regions have a high potential production, but there are great problems also, which reduce the competitive power of these forests, say forest experts.

"It will be almost twice as expensive to build a pulp factory in Brazil, for example, as it is to build one in Finland," reported one expert named Jaako Poyry. "It is difficult to imagine what it will cost to start an internationally competitive industry in areas where no people live and where roads and a social organization do not exist."

The Brazilians are now trying to solve this problem by importing a complete, pre-fabricated pulp factory from Japan. It is to be shipped on two enormous barges.

Scandinavian forest industry will encounter the toughest competition from the Southern States of America, according to participants in the debate. There the felling volume can be doubled without any risk.

"The consumption of paper in Europe, however, is expected to increase at such a pace that there will be a need for both the American, the tropical

and the traditional Scandinavian pulps," said Professor Borje Stenberg. In the year 2000 the FAO (Food and Agriculture Organization) expects Europe to be using as much paper as the entire world uses today.

"We have to be on friendly terms with the United States, if we are to satisfy Europe's need for raw material," said Stenberg.

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## BELGIUM

### BRIEFS

DEATH OF VICTOR LAROCK--Victor Larock, the Belgian socialist leader, has died in Madrid as a result of a heart attack. Victor Larock, who was 73 years old, was a member of the delegation of parliamentarians and socialist politicians of the nine countries of the EEC, which took part this last weekend in a meeting organized by the Spanish Workers' Socialist Party [PSOE] in Madrid. The meeting discussed the subject "Spain and Europe." [Text] [Madrid Radio in Spanish to Europe 1254 GMT 25 Apr 77 LD]

APPEAL REFUSED OF BELGIAN SENTENCED IN USSR--The Belgian Embassy in Moscow has confirmed the news given on Saturday that the appeal against the sentence of the Belgian Antoon Pype was rejected by the Supreme Court of the Russian Federated Republic. Antoon Pype, a member of the Flemish East European Action Committee, an extreme rightwing movement which is campaigning on behalf of Soviet dissidents, was sentenced last month in Leningrad to 5 years labor with "strict regime," for distributing anti-Soviet pamphlets. Moscow-based observers think it possible that Pype will be expelled before completing his 5 years' sentence. [Text] [Brussels Domestic Service in French 1600 GMT 25 Apr 77 LD]

CSO: 3100

EDITORIAL ON QUEBEC ECONOMIC REPORT

Montreal LA PRESSE in French 29 Mar 77 p A4

[Editorial by Marcel Adam: "Quebec Economic Report"]

[Text] The Levesque government has just scored a point in the referendum debate with last Friday's release of Quebec's Economic Report which reveals that in 15 years Ottawa has received from Quebec 4.3 billion dollars more than it has, in various forms, contributed to Quebec.

For several years the PQ [Quebec Party] and its adversaries have been arguing about the value of Canadian federalism without either side being able to support its argument with real figures.

We should give credit to the Levesque government for having published this important study and for having done it long enough before the referendum to allow a calm debate and an attempt to situate it into a fair perspective in relation to the overall problem of federalism.

One could of course criticize the partisan use of this complex study, which does not tell all and which does not readily allow a conclusion in one direction or another. At least it offers a serious base for discussion, while Bourassa freely used the slogan of the benefits of federalism without publishing the figures which he was keeping secret.

How can we judge quickly and authoritatively given the mountain of statistics and analyses, which are at first overwhelming for the noninitiated, when teams of specialists themselves have spent years establishing a method of compilation and analysis of various economic factors which can be variously interpreted since they are incomplete and don't reflect the totality of the economic reality of a federal government like ours? And how can we judge definitively 109 years of economic federalism on the basis of a limited period of 15 years?

Taking an average of the deficit account revealed by the Quebec Economic Report, Levesque maintains that in 15 years Quebec has suffered a loss of some 500 million dollars a year. This amounts to saying that Quebec would have had this sum as profit if it had been independent.

But an independent Quebec would have to take on the costs of its diplomatic representation in several dozens of countries, its own national defense in addition to perhaps participation in NATO, as well as its Foreign aid. At present Quebec is contributing its share of the considerable expenses handled by the federal government.

Minister Rodrique Tremblay said that the sums that Ottawa has not returned to Quebec have served to finance the economic development of the other provinces. If he is thinking of the underdeveloped provinces in Canada, this remark is petty because if Canadian federalism is contributing to the distribution of wealth in order to diminish economic disparity, so much the better.

Why would the PQ government refuse this form of aid to underdeveloped Canadian territories when it is prepared, once independent, to help underdeveloped nations all over the world--and that up to 2 percent of the national annual income? (According to Rene Levesque in CRITERE December 1974.)

But if the minister is thinking mainly of the federal government's preferential aid to Ontario, which, according to the study, is taking the form of massive, job-creating investments, to the detriment of Quebec and other provinces which receive mostly nonproductive financial aid, there is here a point which would need to be clarified. That is why it would be useful for all the provinces to publish their economic reports as well as for the federal government to produce as early as possible not only the figures which are missing in the Quebec study but also its interpretation of them.

Bourassa had reduced the question of Canadian federalism to a simple matter of financial benefits and in so doing degraded it. Federalism is often created for economic reasons; that was the case, on the whole, with Canada and the United States. But with time it can produce less tangible, but perhaps more important, fruits, such as a great degree of liberty, widened sense of tolerance and of sharing; the argument of economic returns then becomes less determining.

Economic profit can fluctuate with the circumstances and the times for the constituent parties of a federation; but profit in terms of political and human benefits are more likely to grow if the mentalities evolve the right way. If not, the economic argument remains of prime importance, and that is not a sign of human progress.

I am not saying that the economic question does not count, nor that it is never the determining factor; I am saying that it must be put in the balance with many other values that cannot be computed.

8693

CSO: 3100

EDITORIAL ON QUEBEC'S NEW LANGUAGE POLICY

Montreal LA PRESSE in French 2 Apr 77 p A4

[Editorial by Marcel Adam: "The New Language Policy"]

[Text] With the submission to the National Assembly yesterday morning of the Blue Book describing the new linguistic policy which will be translated into a bill this month, Quebec finds itself for the third time in 8 years plunged into a painful linguistic debate.

Once again this emotional debate, which never really stopped, will reawaken and occupy everyone's mind for weeks, maybe months. Citizens of Quebec will divide into opposing, not to say enemy, camps, while Quebec's socioeconomic situation ought to be the target of a concentrated effort towards a search for solutions to urgent problems which are much more fundamental to our cultural miseries than the absence or inadequacy of certain laws.

That three successive governments have found it necessary to legislate about linguistics, and each time to correct what was perceived as a misinterpretation of the will of the citizens of Quebec in this matter, all this shows clearly that Quebec is not a homogeneous society. Because if it were, either it would never have been necessary to legislate to establish the priority of French, or else that priority would have been established by a single law whose adoption would never, by the force of circumstances, have raised serious problems.

But because our society is not homogeneous, one-fifth are Anglophones who benefit from historical privileges, it is not certain that a future government, which will have to count on that important minority to be elected, will not itself be forced to legislate again to correct what it sees as not conforming to the will of the Quebec people.

In any case, a statement of linguistic policy is submitted for public debate and it is the duty of all not to avoid it.

Let us first say that the PQ government is beginning the argument better than did the preceding government. It took the trouble to prepare a very dense,

fastidious document, which could be considered excessively long were it not for the commendable effort of its authors to explain as clearly as possible the objectives of the government in order to reduce to a minimum the misunderstandings and ambiguities which had been caused by Law 22.

We should point out the conciliatory, moderate, soothing tone of this document which reflects the style of its author, Dr Laurin; one senses the desire to calm down as much as possible the beginning debate by showing the government's desire to act with humanity and understanding towards those who would be hurt by this law. But the determination of the government is not to be doubted: it comes through in every line.

While giving the broad outline of the next law in 20 or so pages, this Blue Book devotes more than 50 pages to describing the historical position of French, to establishing the principles of a language policy and to exhorting all citizens, all groups to work together for a harmonious application of the provisions of the new law. There is here the sign of great concern faced with the difficulty of the task.

There is no doubt that, like the previous government, the PQ government did not arrive at a consensus without long, difficult internal debates. Thus, it would be surprising that a consensus would be more easily achieved among the population. How can we then not be worried again about the eventual applicability of a law which, independent of its formal value, is fundamentally a source of conflicts?

What the next law wants to accomplish for French is, generally speaking, what should have already existed for a long time if things had happened differently. Thus, the temptation is strong to say, in reading this document, that what is objectively desirable should be realizable and to forget that if things were so simple, we would not be debating on a third law on language.

A preliminary rapid reading of this document is not enough for a fair and equitable judgment. It will have to be reread and analyzed attentively to be discussed constructively, as the government would have us do.

If legislation to regulate our linguistic problem, which has been the cause of our uneasiness for 2 centuries, is inevitable, we should try to do it as well and as honestly as possible.

8693

CSO: 3100

## CYPRUS

### PROBLEMS OF CYPRIOT WORKERS ABROAD DISCUSSED

Nicosia TA NEA in Greek 1 Apr 77 p 7

[Text] The complaints and problems of the Cypriot workers who obtained "temporary" employment abroad have recently become even more numerous. Our workers' complaints concern their salaries, their work contracts, their relations with the competent authorities of the contracting firms, living conditions and food, payment of wages for on-the-job days, cash remittances to Cyprus, etc.

The above problems, surely, do not affect everyone the same way; rather, there are problems which concern one group of our workers employed by Cypriot or foreign firms, and others which are of interest to a larger number of our workers.

#### Solution of Cancerous Growth

There is, first of all, the cancerous growth of the unpaid wages for the work performed by approximately 800 of our workers, who labored in Bulgaria without pay from one to three months. This problem has become a nightmare for the workers involved and their families, left at the mercy of a contracting firm which, by its unprincipled stance, not only tarnishes the reputation of Cypriot employers, but also exposes both the Ministry of Labor and the workers' organizations.

For 15 whole months, the workers concerned have witnessed the fact that a heavy shroud of secrecy has enveloped their problem, and that a singular inertia and timidity have been exhibited in pushing for a solution to their problem. Under different circumstances, a problem such as the refusal by an employer to pay the workers their rightful wages for work already performed--which amount to a total of 400,000-450,000 pounds--would have provoked the most violent reaction, both from the workers and their unions, as also, no doubt, from the Ministry of Labor.

However, in the case of the 800 skilled workers from Bulgaria, who are at present due--almost 15 months after they ceased working--from 60 to 600 pounds each from their employer, this problem has been puzzlingly tolerated

to fester through silence, to the extent that any remarks or action to this effect have been described by some choice epithets.

The experience of these last 15 months, and the factor of the steadfastness displayed by the workers have pointed out the mistakes committed in facing this problem. The handling of the entire problem and the shroud of silence covering it show that everyone involved, from the employer to the unions and the Ministry of Labor, are participants in a network of guilt and of fear of the problem.

However, the workers involved cannot tolerate forever at their expense this unprecedented situation, as they have repeatedly stressed in letters to the press and at their meetings last week in Lemesos. The Ministry of Labor and the unions bear full responsibility for the plight of these workers, because it was at their insistence that the workers remained there and continued to work under the inclement conditions of the Bulgarian winter, despite the fact that there were unmistakably alarming indications they would not be paid.

#### Question To Be Raised in Parliament

As it was shown, the problem has no easy solution and it is unfortunate that, according to all indications, the workers involved do not possess the means to solve a problem which so acutely concerns them. There is no other solution, then, than to raise the question in Parliament. In the past, the competent parliamentary commission was dealing with the problem, but results were not made public. The parliamentary commission should give its full attention to the problem without delay and, we believe, should pursue the settlement of the entire affair of the wages due the workers through appropriate legislation. Any further delay will only exacerbate the problem and the workers' anxiety.

#### Problem of Adequate Salaries

However, the general problem of our "temporary" skilled workers abroad, concerning all of the approximately 7,000 workers employed in the Arab countries, is that of adequate salaries.

It is well known that, following the tragic events of 1974, Cyprus was a free labor market for all. Exploiting the mass unemployment prevailing after the coup d'etat and the Turkish invasion, various domestic and foreign contracting firms were signing up our workers by the thousands for employment abroad, with the concurrence and--in many instances--through the intervention of the unions themselves.

The important and well-founded complaint of our skilled workers is that they did not receive the necessary help and guidance which would have secured for them more remunerative compensation at the time they had to leave their homes to provide for themselves and their families. This problem is becoming all the more apparent due to their stay in the Arab countries and through their contacts with foreign workers.

### Experience Is Teaching Them

As our workers have personally found out, a tumultuous development is taking place in the various Arab countries, which began almost 10 years ago. In Libya, Algeria, Saudi Arabia, Dubai, Bahrein, Muscat, Kuwait, Syria, Iraq and, still farther, Iran, tremendous building programs are under way which, as a rule, are contracted to foreign European firms.

These contracting firms employ mainly workers from European and Asian countries; according to press information, the foreign work force in these countries numbers more than 2,500 people. The same sources refer to the huge lack of manpower in the Arab countries and to the veritable manhunt conducted by these firms and their representatives to secure adequate help.

This situation has been familiar for years to Cypriot workers, and especially to those who were employed by Cypriot contracting firms in Libya and Saudi Arabia before the coup d'etat and the invasion. The magnitude of the problem of the lack of manpower in these countries, as well as contacts between our workers and foreign skilled workers, has revealed to them the magnitude of the injustice they are suffering in the field of their compensation. As they themselves have been able to ascertain, skilled workers from European countries, including those from Greece, are paid at the present time twice and three times as much as Cypriot workers.

Basically, the prevailing opinion among Cypriot skilled workers--which doubtlessly has been reported to the minister of labor during his recent visit to the Arab countries and to the union leaders having traveled there to scrutinize the new agreement--is that their salaries hover, substantially, around Cypriot levels. The basic monthly salary of 105 pounds and 50 mils effective until the most recent agreement, is indicative of salaries paid to Cypriot skilled workers. Of course, overtime and holiday pay boost the earnings of the workers, but they are due to the fact that living conditions in these countries are such as to encourage them to work all day and every day, independently of schedules and holidays.

This problem concerns those workers employed by Cypriot contracting firms, who number approximately 4,500-5,000. A small group of these workers visited our offices and related the problem to us: they are complaining that the question of their salaries was not treated with the seriousness it deserved, either initially or during later developments; consequently, their salaries could have been much higher, accruing more benefits to them as well as to the country.

In their opinion, and even as late as the present time, the problem should be given more serious consideration by the competent authorities, because we must look beyond the term "temporary" and face reality as it is, which shows that the "temporary" nature of these workers' employment is actually long-term. This main factor must be taken into account in order to apply the necessary authoritativeness to the question of salaries.

### Employees of Foreign Firms

Besides the Cypriot contracting firms, there are also other foreign companies employing Cypriot workers in the Arab countries. Their compensation is actually higher than that of their colleagues employed abroad by Cypriot contracting firms; however, they, too, face a variety of problems and are in need of assistance.

This category of workers comprises some who blindly sign a contract written in a foreign language and which, unfortunately, is not translated in order to afford the worker at least a chance to learn its details. This creates repeatedly serious difficulties resulting in a break of the contract and the return of the workers.

In many instances, our workers have been the victims of promises that remained empty promises in words or on paper, but which exacted a heavy toll from them, in adventures and material damages suffered.

### Greater Importance

The problems of our "temporary" workers abroad must not remain of only marginal interest to the competent authorities. As Minister of Labor Spanos noted at the beginning of this week, these workers uphold the good name of Cyprus in the Arab countries. Through their recognized contribution and their specialized work, they add authority to Cypriot contracting firms, which are continuously expanding their activities in these countries. By the same token, their contribution to Cyprus is generally acknowledged to be extremely important. Consequently, their problems deserve the greatest care and attention and should be solved through the fastest and best method. Cypriot entrepreneurs who really wish to succeed in the vast Arab lands must, above all, rely on the Cypriot worker, who should be compensated appropriately. This, however, should be pointed out to them by the competent representatives of the workers, the PEO [Pan-Cyprian Labor Federation] and the SEK [Confederation of Cypriot Workers] unions, which regulate the compensation, labor and living conditions of workers in these countries through special agreements.

8980

CSO: 4808

CYPRUS

FARMER'S UNION OUTLINES ACTION PROGRAM FOR 1977

Nicosia KHARAVGI in Greek 22 Mar 77 p 3

[Text] At its recent meeting the EKA [Union of Cypriot Farmers] District Council for Farmagusta approved its action program for 1977. It also decided to hold the EKA Sixth District Council meeting at Frenaros by the end of December 1977.

On this occasion EKA District Secretary for Farmagusta Kyr. Tsiettis told us the following about the organization's action program for 1977:

The EKA of Farmagusta will continue to give the same priority and to show the same interest in healing the wounds and in rebuilding the ruins caused by the fascist coup d'etat and by Attila's invasion; and this, to help solve the problems of the refugees and to make possible the uninterrupted continuation of agricultural production in the heroic Kokkinokhoria.

EKA's District Council will continue its efforts this year having as a goal:

--to make the refugee farmers, cattlemen, wheat farmers, horticulturists, growers of perishable fruits and of tobacco productive once again.

--to reactivate the refugee cooperatives so that they will be able to help the refugees with loans.

--to accelerate the development of public unused land and of low-lying forests to be distributed to the farmers of the Kokkinokhoria and to the refugees.

--to secure drilling rights for farmers for the irrigation of wheat and other crops.

--to improve the small irrigation projects at Vrysoulles Liopetriou, Ag. Napas and other Kokkinokhoria and to develop the use of rainwater which flows into the sea.

--to bring to Kokkinokhoria irrigation water from other areas and to study ways of conserving water; to encourage a more economical use of water in farming.

## Other Problems

Livestock breeding: The state must give greater assistance to refugee cattlemen. The growing of livestock feed should be encouraged; legislation regulating milk trade must be improved, and a meat council should be established.

Perishable fruits: All Kokkinokhoria farmers should receive help to build tall greenhouses of the span type.

Arboriculture: The growing of citrus trees should be protected and attention should be paid to the irrigation of existing gardens. The cultivation of the carobben tree in the fertile land of Kokkinokhoria should be financially supported and encouraged.

Fisheries: The bays of Farmagusta, Pernera, Paralimmion, Ag. Napa, and Liopetri should be improved; laws for the protection of our fishery industry should be strictly enforced.

Trade councils for potatoes and carrots: The farmers must be given all possible help and assistance in the Trade Councils for Potatoes and Carrots so that they may be able to carry out the task of organizing potato picking and of transporting the crop to packaging centers for export.

Furthermore:

--All the streets in the Kokkinokhoria should be repaired.

--A high school must be built in the center of the Kokkinokhoria area to serve the students of the region.

--Public unused land should be distributed to encourage the establishment of new industrial zones.

--Farmers should be relieved of the obligation of making the special contributions because most of them are small farmers and not businessmen.

--Local agriculturists must be appointed at all Kokkinokhoria.

--The agricultural insurance plan should be improved so that the farmers will be protected against damages caused by disasters that hit them every year. The first stages of the plan should be financed by the state.

## The Political Side

Concluding, Tsiettis said that the EKA District Council will continue to bring to the attention of deputies the farmers' demands for the purification of the state machine, for the adoption of laws that will improve agricultural economy, for the equitable distribution of the national income, and for placing a greater share of the economic burden on the wealthier classes.

Despite the problem created by the invaders with the transfer of Turkish Cypriots to the North, the EKA of Farmagusta will continue to work for the smooth return of the refugees to their homes, where all together they will cultivate their fields and will jointly participate in manifestations for the solution of their problems.

At the same time:

Farmagusta farmers--refugees or non refugees--will continue to support the declared policies of the president of the republic and of the National Council, in order to reach a just solution to the Cyprus problem through intercommunal talks and on the basis of the U.N. resolutions. They will support the unity of our people along these lines; and, the agricultural organizations and the cooperative movement in every village will continue to fight against the seed of dissention which was artfully sown by the agents of imperialism.

Finally, farmers organizations will continue their efforts to obtain information on thousands of missing persons, to secure the protection of those who are caged and to help and assist the parents of those who died.

8193

CSO: 4808

## CYPRUS

### BRIEFS

PEO DELEGATION TO LIBYA--The Libyan Embassy made the following announcement yesterday: "A five member PEO [Pan-Cyprian Labor Federation] delegation has left for a one week visit to Libya at the invitation of the Libyan workers unions. During their stay in Libya the delegation of Cypriot unionists will hold talks with Libyan workers unions on subjects of mutual interest. The delegation will also visit Cypriots working there and will attend celebrations to be held on the occasion of the Arab Workers Day and of the withdrawal of British troops from the country. [Text] [Nicosia KHARAVGI in Greek 23 Mar 77 p 1] 8193

ZIARTIDIS TO MOSCOW--PEO's [Pan-Cyprian Labor Federation] General Secretary A. Ziartidis left for Moscow yesterday to attend the 16th Congress of Soviet Trade Unions, which opens Monday, 21 March 1977. During his stay in Moscow Ziartidis will contact Soviet trade unions. He will also take the opportunity to meet with trade union leaders from other countries who are also attending the Congress and will brief them on developments in the Cyprus problem. He will also ask that their organizations continue to show their solidarity with Cyprus. [Text] [Nicosia KHARAVGI in Greek 20 Mar 77 p 1] 8193

PASYDY GENERAL COUNCIL--The 14th Congress of PASYDY [Pan-Cyprian Union of Civil Servants] has elected the organization's new General Council for the next 3 years. The following have been elected members of the General Secretariat: A. Papanastasiou, president; D. Dimitriou, vice president; Ev. Pandeli, secretary; G. Khrysanthou, treasurer; T. Khrysostomou, alternate secretary; L. Savvidis, alternate treasurer; D. Kyriakou, Khr. Kalos, S. Georgious, and A. Ioannou, members. The new General Council expressed its confidence in G. Iakovou, the organization's general secretary for the 4 year period to end 29 May 1978. [Text] [Nicosia KHARAVGI in Greek 23 Mar 77 p 1] 8193

FASCISTS REPORTEDLY IN GERASA--The teacher's residence in Gerasa has become a fascist club. Due to the fact that the Gerasa teacher resides in Limassol and commutes daily to Gerasa, the president of the community has given the house--which is owned by the school--to fascists who have established a union.

The residents of the village are upset with this action by the president of the community and are calling for the intervention of the Ministry of Education and of other responsible officials. It should be noted that two formerly wanted EOKA B [National Organization of Cypriot Fighters B] regional leaders have visited the fascist club. [Text] [Nicosia TA NEA in Greek 24 Mar 77 p 8] 8193

POLICE WEAPON FINDS--Police made the following announcement yesterday: "Members of KYP [Cyprus Information Service] acting on information received, found the following weapons and ammunition during January, February and March: Twelve 303m rifles, 2 Thompson automatic weapons, a Czech M58 automatic weapon, an M3 automatic weapon, a Port Said automatic weapon, 9 Sten automatic weapons, a two-barrel hunting rifle, 2 38 mm handguns, two 32 mm handguns, an Astra 38 handgun, a Browning handgun, 40 feet of safety fuse, 42 Sten cartridge carriers, 3 Bren cartridge carriers, 2 Thompson cartridge carriers, 4 bayonets, 1 military helmet, 2 portable wireless Motorola radios, 1,275 rounds for the Czech M58, and 200 rounds of F.N. [Text] [Nicosia KHARAVGI in Greek 24 Mar 77 p 7] 8193

BRT DIRECTORS' DISMISSAL--The management of Bayrak Radio and Television in a memo distributed to BRT employees, announced that BRT Television Director Harit Fedal, who has played a great role in the establishment and operation of BRT Television, and Television Technical Director-Chief Electrical Engineer Ozer Berkem, have been relieved of their duties. The enacted "Budget Law" which delegated TFSC cadres to BRT Television and gave official authorization for the removal of the two directors, has caused some consternation at BRT. [Text] [Nicosia BOZKURT in Turkish 6 Apr 77 p 1]

INTERCOMMUNAL WATERWORKS--Because of the approaching summer season, the TFSC Department of Waterworks' representatives met with the Greek administration Department of Waterworks' representatives yesterday at Ledra Palace, under the supervision of the U.N., for the purpose of establishing water districts and to arrange for water monitoring hours. To insure enough drinking water for Nicosia, underground springs must be tied in with the water networks in one of the sectors of the city and to this end the two groups have striven to establish a cooperative Department of Waterworks. [Text] [Nicosia BOZKURT in Turkish 5 Apr 77 p 1]

WATER STOPPAGE--Taspinar (Angolemi) and Doganci (Elia) village residents are complaining bitterly about what they call "inhuman behavior" on the part of the Greek Cypriot community in the area of Kato Koutrafas for having cut off their fresh water supply. The flow of water which had been steadily diminishing since 21 March, has now virtually ceased. The agriculture and animal husbandry sectors of these Turkish Cypriot villages have suffered serious setbacks because of this water stoppage. In each of the two villages 75 percent of the planted fields have become parched and have taken a downward turn. Those involved in animal husbandry have had to draw upon their own drinking water supplies to water their animals. These circumstances, the Turkish Cypriots point out, are in direct contrast to those of their counterparts in the Greek sector. [Excerpt] [Nicosia BOZKURT in Turkish 7 Apr 77 p 1]

TFSC TOURISTS--With the approach of summer the influx of tourists to the Turkish Cypriot region has also begun. Following the arrival of a 69-member Spanish group on 1 April was the arrival of both a 40-member German tour group as well as a British group of 30 members. According to a statement released by the Turkish Cypriot Tourist Agency, weekly tours are continuing on an uninterrupted basis. [Text] [Nicosia BOZKURT in Turkish 9 Apr 77 p 4]

CSO: 4807

FOREIGN MINISTER DISCUSSES FOREIGN AID POLICY

Copenhagen INFORMATION in Danish 17 Mar 77 p 1

[Text] Minister of Foreign Affairs K.B. Andersen agrees that Danish industry should have greater influence with respect to Denmark's foreign policy.

He made this clear yesterday as he explained the so-called "running" five-year foreign aid plan, expiring April 1982. Up to that time, foreign aid will comprise 0.76 percent of the gross national product and will thus have reached the goal that was established by the United Nations.

K.B. Andersen praised the Industrial Council for its recent initiative by means of a publication proposing to give Danish industry greater consideration in matters of foreign aid.

Ghosts

"I am not one of those who sees ghosts whenever industry wants to cooperate in matters of foreign aid, nor do I consider it an insult that developing countries are interested in Danish work and Danish products," said K.B. Andersen as the Industrial Council's proposal was discussed yesterday in the Council for International Development Cooperation.

Chairman of the Council, Director Chr. Kelm-Hansen, was more cautious in his treatment of the proposal. He, like the LO representative Svend Bache Vognbjerg, disagreed with the last paragraph in the proposal, stating that foreign aid shall be directed toward more developed countries and, with respect to half of the aid, shall consist of government loans that shall be used to purchase Danish products.

K.B. Andersen sought industry's participation in the educational work concerning foreign problems and held out the prospect of increased appropriations for them.

Chr. Kelm-Hansen regretted that just the Industrial Council had opposed increased appropriations for educational work. He said that "if Danish industry is to have a greater voice in the matter of foreign aid, it must be on the

very condition that they live up to what is written in the paragraph concerning the purpose of the proposal. The need of the recipient countries is the decisive factor in this matter.

This, coupled with the demand that the poorest countries shall receive the most aid are conditions that offend the Industrial Council's interests. The council suggests Mexico and Brazil, among others in the proposal, as countries it would be more profitable to support than Tanzania and Bangladesh, for instance, both being first priority countries for Danish aid.

Kelm-Hansen added that a demand by foreign countries for a new economic world order would lead to profound changes in the trade structures of industrial nations.

Director Ove Munch on the Industrial Council announced the publication of a foreign catalogue which would help foreign countries become aware of goods produced by 120 different Danish businesses. He felt that the responsibility of giving advice concerning foreign countries should be shifted from the Foreign Ministry's Aid Department, Danida, and government experts to private industry. He considered it impossible to restructure Danish trade for the benefit of foreign countries.

LO representative Vognbjerg opposed substantial parts of the Industrial Council's proposal. He said he questioned its effects on the Danish employment and currency situation but suggested that they be studied.

8952

CSO: 3106

DENMARK

## MINISTER DISCUSSES NUCLEAR ENERGY ISSUE

Copenhagen INFORMATION in Danish 10 Mar 77 p 1

[Text] It will simply not be possible for the government to submit a proposal for the construction of nuclear energy plants in Denmark before 1980-81 if the government is to comply with its own terms of August last year, when they put off submitting a proposed resolution regarding nuclear energy.

This was Minister of Environmental Affairs Niels Matthiasen's statement to INFORMATION last Wednesday after he had received a note from the Environmental Committee that day, saying that the Committee would not be able to fully assess the possibilities concerning a joint Scandinavian solution to the problem of nuclear waste before that time.

It was precisely this assessment of nuclear waste which prevented the government from submitting the so-called "taking effect law" in August, a supplement to the law governing nuclear power plants and, in that connection, the Environmental Committee was asked to evaluate the Scandinavian possibilities.

Up till now it has been said that the Committee will submit its evaluations about the end of 1977, but the Committee now states that Swedish authorities and politicians will not be able to take a stand on any concrete Scandinavian cooperation until about the end of 1978. There will be some time before a conclusive evaluation of a joint Scandinavian plan concerning nuclear waste can be made available.

Waiting for Sweden

In reality, the then Minister of Commerce Per Hakkerup knew this since 23 November 1976, because the Environmental Committee has been able to establish this date as a point of reference, based on records of a meeting between Per Hakkerup and Swedish Minister of Energy Olaf Johansson.

The Swedish minister made it clear that the intervening time should be used to submit the so-called AKA report on the joint waste project to a public hearing, and for the newly appointed energy commission to work out an energy policy statement, containing alternative energy programs, covering a period up to 1990, with at least one program without nuclear energy.

The Environmental Committee concludes "that, primarily in Sweden, intensive political, scientific and industrial work is taking place for the purpose of taking a stand on the further use of nuclear energy in 1978-79. Based on the rather short time limit for this work, it is not very likely that we will be able to negotiate a concrete Scandinavian cooperation policy concerning the treatment and the disposal of highly radioactive waste before that time.

#### In Agreement With Norgard

Niels Matthiasen immediately dispatched the Environmental Committee's note to Minister of Commerce Ivar Norgard, with the suggestion that he place it on the agenda of the Energy Policy Committee in Parliament.

Moreover, as minister of environmental affairs I am in agreement with Ivar Norgard's demand for a safe treatment of nuclear waste, which he expressed in an interview with INFORMATION last Monday, said Niels Matthiasen and continued:

"In the meantime we have to concentrate our efforts on energy saving arrangements, and to research and develop alternative energy sources for oil. Here, too, I agree with Ivar Norgard."

Is this not a change in the government's position from just a year ago?

"One could possibly call it a change, but, considering my responsibility in this matter, I had no choice, taking into account that this much time will be required to research environmental and safety demands for nuclear energy plants."

8952

CSO: 3106

DANES DEBATE NUCLEAR ENERGY ISSUE

Copenhagen INFORMATION in Danish 12-13 Mar 77 p 1

[Article by Peter Eriksen: "Nuclear Energy Split Defied--Power Plants Want Straight Information and Suggest Tyranny of Opinion--OOA Demands 20-Year Waiting Period"]

[Text] Minister of Commerce Ivar Norgard's statement to INFORMATION on Monday and the endorsement of same by Minister of Environmental Affairs Niels Matthiasen have done little to lessen the sharp polarization in the debate concerning the eventual introduction of nuclear energy into Denmark.

During the past few days, supporters of nuclear energy have talked about the discrepancy between the ministers' statements and the government's energy plan, and they want straight information, even talk about a tyranny of opinion. Opponents have discussed the necessity for an energy policy which excludes nuclear energy and for the Danish Government to protest Swedish nuclear energy.

The debate has been very lively and, to begin with, the reason has been Ivar Norgard's assurance that we will not have a decision regarding nuclear energy until "a safe location for the radioactive waste can be found," together with promises and candor with respect to research and development of alternative energy sources. Ivar Norgard's comments about a controlled, qualitative growth and a global distribution policy have been pushed into the background somewhat.

The sharpest reaction has come from the power company Elro in Randers, which issued this statement following a board meeting: "Defying the one-sided tyranny of opinion against nuclear energy, we strongly urge energy policy authorities to fulfill their promise and to permit the planning and construction of nuclear energy plants in Denmark."

The statement also urges that the real possibilities for alternative energy sources be studied immediately, so that the public can be given the opportunity to make comparisons between these sources and nuclear energy.

Aside from the fact that no promise has ever been made, not publicly anyway, on behalf of energy policy authorities, let alone the government, Elro does not give further information as to what the company means by one-sided tyranny of opinion.

On 16 February INFORMATION discussed an example of Elro's way of expressing its opinion regarding the nuclear energy debate, namely an advertisement in the paper, in which Elro threatens that Danes must give up the luxury of driving cars if we do not relieve the oil market by building nuclear energy plants.

#### Confused

Among the reactions from other power plants, we can mention ELSAM-Director E.K. Jacobsen's statement on radio Thursday that Ivar Norgard and Niels Matthiasen do not express themselves consistent with the government's energy plan, which calls for five nuclear energy plants in Denmark.

"ELSAM and Kraftimport must be told exactly what was said and what its meaning was. We must be told what to do under uncertain and confusing circumstances. Will nuclear energy be put to a public vote? And, in general, what is intended with the energy policy?" said Jacobsen.

He continued that the most essential decisions can easily be made without a nuclear energy settlement. But, as time passes, the companies cannot defend having the public pay for their nuclear energy studies if such energy is not to be utilized.

#### Conservatives Impatient

Politically speaking, the Conservatives in particular have taken a well defined position. Erik Ninn-Hansen has announced that the Conservatives in Parliament will reintroduce the bill concerning atomic power plants which the government shelved earlier. And John Winther has asked the minister of commerce: "After several years, does the government intend to further delay proposing a law concerning the use of nuclear energy as an alternative source of energy in Denmark?"

John Winther's reason in writing:

"In spite of its ever increasing urgency, the government still has not re-submitted the proposal to put into law the use of nuclear energy as an alternative source of energy in Denmark--supposedly because they wish to await the results of the Social Democratic Party Congress. According to rumors in the press, the minister of commerce now wants a further postponement, in terms of several years before the final decision can be made."

If John Winther connects the "rumors in the press" with INFORMATION's interview with the minister, it may help to remove his misgivings to know that the interview was approved by Ivar Norgard before it was printed.

## 20-Year Waiting Period

On the opposing side, the Association for Atomic Energy Education (OOA) went on record with an announcement in the press and a communication to the government and the Parliament. "The government's sharpened position on nuclear energy must bring about an energy policy which excludes atomic power and must give cause for the Danish Government to protest against Barseback II," says OOA. The organization does not believe that Ivar Norgard's demand for a safe disposal of radioactive waste can be met until the middle of the 1990's. OOA refers to the Atomic Energy Commission's report concerning waste dated April 1976, in which they ask for at least 10 years to conduct preliminary geological investigations before approving a site on which to deposit the waste. Another 10 years will be needed to test the waste location, without being able to provide an advance guarantee of positive results.

"Whether we speculate on finding a pure Danish or a joint Scandanivans solution regarding the nuclear waste, approximately 20 years will pass before the Danish Government's terms can be met to eventually effect a decision," says OOA. Taking the total energy supply into consideration, OOA is urging the minister of commerce to formulate, as soon as possible, an energy plan without atomic power for the coming decades, to build up a supply system of natural gas, with emphasis on local energy production for heating purposes, to shift appropriations for energy research in favor of lasting sources of energy, and to provide aid in the production of already developed solar and wind energy systems.

OOA finally urges the government to protest the Swedish nuclear reactor Barseback II, located only 20 kilometers from Copenhagen; considering the formulated demands for safety, the government should not silently approve the start of this project.

8952

CSO: 3106

FINLAND

CP CHAIRMAN SAARINEN ADDRESSES NORDIC COUNCIL

Helsinki KANSAN UUTISET in Finnish 2 Apr 77 p 4

["Text" of speech by Finnish Communist Party Chairman Aarne Saarinen to the Council of Nordic Countries]

[Text] At the current session of the Council of Nordic Countries a discussion on security policy was initiated by Finnish Communist Party Chairman Aarne Saarinen, whose speech aroused an animated discussion. Aarne Saarinen's speech is as follows:

It has been 25 years since the establishment of the Council of Nordic Countries. Vast social and political changes have taken place in the world including our part of the world.

The existence of the council and its activities have in a significant manner promoted cooperation among Nordic countries since it has had a positive influence in many areas, legislation and the standardization of civil rights in Nordic countries, among other things.

When Finland became a member of the council in 1955, in accordance with a desire expressed by the Finns it was agreed that questions of defense and security policies would not be discussed by the council. I understand this limitation to mean that it excludes an official treatment of the above-mentioned matter and any decisions based on it. But it does, however, permit discussion.

As was said vast changes have taken place in the world and in Europe. From the point of view of peace and cooperation they are positive. This change is emphasized by the following facts: a new world war has been avoided for more than 30 years, for the first time in the history of imperialism we are experiencing a situation in which wars between nations have not been waged for several years and armed conflicts have been limited to internal power struggles and even they have been relatively few. A little less than 2 years ago Helsinki played host to a conference on security and cooperation among all European countries as well as the United States and Canada at the highest level. This conference was of great historical significance. Countries with differing social systems and differing foreign policy positions,

countries which belong to the Atlantic alliance, the Warsaw Pact as well as countries which do not belong to any military alliance participated in this conference. In spite of these great differences or perhaps as a result of them the central issue of the conference was the stabilization and development of security and cooperation in our part of the world. As is known the conference gave unanimous approval to a document dedicated to this purpose.

The Council of Nordic Countries was established under the conditions of the Cold War. Hopefully that era will never return. Now we should be able to see and openly recognize that the security of the Nordic countries, our part of the world, and the whole world is decisively dependent on whether we are able to go beyond political detente to military detente. A balanced and gradual disarmament is the only means for promoting security and peaceful cooperation and for guaranteeing real security among all nations.

The securing of a lasting peace is, however, just as important and fundamental as, in general, the issues that are discussed in the council. There can be nothing more valuable for Nordic people than the question of cooperation.

The timeliness of the question is also emphasized by the unfriendly and downright provocative writing of certain Norwegian newspapers in connection with the official visit of our president to Norway. We Finns are proud of the fact that Finland is more independent than it has ever been. It has taken on the responsibility to actively work on behalf of peace and security, which is not a bad but a good thing not only from the point of view of Finland but of the whole Nordic area. President Kekkonen has consistently and decisively represented this foreign policy line, the reason for which he enjoys the support of the vast majority of our people. The lasting cornerstone of our country's foreign policy is the Friendship, Cooperation, and Mutual Aid Agreement concluded between Finland and the Soviet Union in 1948. The foreign policy based on it has turned out to be fruitful and corresponds with the basic interests of the Finnish people and for this reason will also be kept in effect.

The unfriendly writing of certain Norwegian newspapers has hurt our people's feelings. This kind of writing in itself will not improve the atmosphere of cooperation among Nordic countries but, to the contrary, will worsen it. We hope that this kind of writing does not correspond with the position of the Norwegian Government.

It should be understandable to everyone that the participation of the Federal Republic of Germany in military exercises on Norwegian territory represents a significant change in Norwegian policy and that it gives cause for concern in Finland. It can be said that only small units are in question but it does, however, mean an opening of a door, the consequences of which we know nothing about. This circumstance in itself also weakens trust and faith in Norwegian policies and assurances.

On the basis of the longtime historical experience of Finland, an experience which reaches back hundreds of years, I would dare to hope that the ruling circles in Norway would begin to seriously consider whether the concept of the security policy adopted after World War II is still justified today. Is there not another alternative, would it not be more secure for the whole Nordic area to be outside of any military alliances as a nuclear free zone, the territorial inviolability of which could be jointly guaranteed by the United States and the Soviet Union. I am convinced that this would be a reasonable and secure alternative for all the people of the Nordic countries.

I have presented these points of view proceeding from the indisputable fact that each country represented in the council decides its own policy with complete independence, also its security and foreign policy, and that the newspapers have the freedom to write what their owners and backing forces consider to be purposeful. I have taken this matter in hand particularly for the reason that we Finns have the right and obligation to react to stands concerning us in other Nordic countries. But an even more important reason than this is the fact that in such an important political organ as the council we should be able to discuss issues more important to all the people than certain individual points of legislation, for example. And the most important matter is the promotion and strengthening of peace and security. Even in this area the Nordic countries can in a joint position exhibit the importance of this matter from the point of view of our part of the world and the whole world. This fact is strengthened by Finland's new position and the experience gained from it after World War II.

The Nordic countries have created the impression of a peaceful area. This is not an incorrect impression but there should be cause to strengthen it by joint actions. It is high time to give up the idea that the Soviet Union is contemplating attacks against other countries in general since such an idea is completely groundless and prevents the restoration of trust and work on behalf of disarmament.

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FINLAND

FINNISH BORDER GUARDS TURN BACK NORWEGIANS

Helsinki HELSINGIN SANOMAT in Finnish 13 Apr 77 p 10

[Article: "Border Patrols Turn Ski Group Back Into Norway"]

[Text] Over Easter Finnish border guards were forced to turn back a group of approximately 20 Norwegian skiers who had crossed the border at Kilpisjarvi. The group had crossed the border at an unauthorized point.

The Oslo newspaper AFTENPOSTEN has latched onto this issue. According to the information of this newspaper Finnish border guards crossed over to the Norwegian side.

Lieutenant Colonel Olli Toivonen disputes the allegation that the guards crossed the border. Moreover, he characterized the incident "as a common occurrence."

Near the border the Norwegians have an area for vans and other mobile living units where on Easter there were approximately 200 such vehicles. The tourists had crossed the border at an unauthorized point while skiing on the slopes of Mallatunturi.

"The skiers consented to return to their own side of the border. In addition, in such incidences we have given orders that forceful means are not to be used," states Toivonen.

An impartial study is being made of this border incident in the provincial government of Lapland.

Last year a similar border incident took place in the same area. At that time the border guards turned back a group of approximately 100 skiers.

This event was recorded as a single incident in the border patrol's statistics last year. The unauthorized border crossing of a total of 38 people came to light last year.

"On the borders with Sweden and Norway those accused of crossing the border were primarily tourists who did not know the exact location of the border," states the report of the Border Patrol.

#### Finland Has Proposed A More Open Border

The border between Norway and Finland can only be crossed at official border points along the main highways or in an approximately 1-kilometer zone on both sides of the highway. Border crossing at any other place is prohibited. The normal penalty for an unauthorized border crossing is 10-15 days of imprisonment.

Also from time to time Norwegian border guards are forced to turn back Finns from the Norwegian side of the border. "Such incidents have occurred this winter also," states Toivonen.

The Norwegians have taken a rather harsh attitude toward the unauthorized fishing by Finns in the Finnmark area of Norway. The prevention of unauthorized border crossings as far as this is concerned is conducted according to Norwegian conditions.

A few years ago Finland and Sweden concluded an agreement on the freer movement of tourists across their borders. For example, from Kilpisjarvi one can cross the Swedish border at any point. However, goods subject to customs duty cannot be brought along.

This year Finland made a proposal to Norway that a comparable procedure be adopted. In certain tourist areas Finnish and Norwegian tourists would be able to cross the border freely. For the time being the Foreign Ministry has not received an answer to this proposal from Norwegian officials.

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FINLAND

KARJALAINEN DISCUSSES PERSONAL PROBLEMS, ATTITUDES

Helsinki SUOMEN KUVALEHTI in Finnish 25 Mar 77 pp 16-21

[Interview with Ahti Karjalainen by Riitta Pyysalo, date and place not given]

[Text] Are you bitter, Ahti Karjalainen? Have you been harshly criticized and are you utterly exhausted? Are you in your opinion the victim of a witch hunt, wrongly judged, misunderstood? What is it like to be in your shoes, Ahti Karjalainen?

He growls, as is usual: "I'm beginning to have enough. Who knows what day I will leave."

Even a politician is a human being.

Ahti Karjalainen, is a politician treated as a person?

Ahti Karjalainen answers that he has no serious complaints with regard to the press, for example. In this decade the public word has become invigorated in the sense that it does not go into personalities and details as frequently as it did in the 1960's. The privacy laws have improved.

"I have contempt for those who do not dare to give their name but shoot arrows in the dark."

Idle Talk

"Gossiping about personalities and personal details places our politics at a low level," says Ahti Karjalainen.

Political faultfinding is easy -- various stories, which are "shear legend," about Ahti Karjalainen are continually in motion.

"I do not feel sorry for the gossiping but for the gossipers. As people they are at a very low level. Their life is spiritually poor -- it seems to consist mainly of gossiping."

## A Helpless Defense

[Question] What means does a politician have against gossiping and shots in the dark?

[Answer] A politician is completely helpless. How can one prove that one did not do this or that? The fundamental principle of our judicial system is that the accuser must prove his accusations to be correct -- thus the accused need not prove the accusation to be wrong. But in politics it is considered that a mere accusation is already the truth. In the newspapers it is quite difficult to obtain a correction to some argument -- and there is hardly time to begin to correct all the idle talk.

In my opinion a politician can be objectively criticized only on the basis of his work. The results of a person's work will speak in his defense. As for myself I think about all those big decisions which were made while I was in the government in the position of a minister: many economic agreements with the Soviet Union, the EFTA, and the EEC and the year-long preparations for the CSCE. The only correct yardstick for criticism is whether they have been correct or incorrect from the point of view of the country.

All other critical speeches go around the actual issue -- for example, those who concern themselves with my personal interests and undertakings. We are not angels nor are we here to judge one another. But there are many who imagine themselves to be able to be judges and suitable enough to be angels.

## The Whole Person Is In the Game

[Question] But a politician must put his whole self into the game -- a politician represents those issues which he is promoting?

[Answer] Yes, in a way he symbolizes them. But above all a politician should be criticized for his statements, actions, and decisions.

[Question] However, for the average person a politician's image is important -- an average citizen does not know much about his work?

[Answer] I read a study of a TV program, in which politicians discussed some important issue. When a few days later people were asked what they remembered about the program, they related the color of the tie the politician was wearing and how he had combed his hair. They remembered nothing about what had been said.

[Question] Is this disheartening?

[Answer] Sometimes it is disheartening: that all unessential matters except the issue itself are interesting.

I think one explanation for our current economic situation is the fact that the leaders of the parties and their front organizations have over the years been more interested in a certain kind of political game than in the actual content of an economic policy.

"I Say What I Mean"

[Question] Do not you yourself play this game?

[Answer] I am not, of course, qualified to talk about myself.

[Question] You do not purposefully spread rumors?

[Answer] It is not my custom. I am not interested in this kind of a game. A person's personal matters do not concern me. Let everyone be responsible for oneself.

It is a different matter that during the whole postwar period I have promoted certain policy lines in foreign as well as domestic policies.

[Question] What kind of tactics do you use in support of that line? You must have some kind of a procedure?

[Answer] The tactic is simple: I say what I mean in all phases and in all forums. Sometimes I remain silent if I am not sure of the issue.

[Question] But a politician can never be sincere?

[Answer] To the contrary. The best policy is to be sincere. This does not, of course, mean that I would say everything that I know.

[Question] Is this noble principle prevalent among Finnish politicians?

[Answer] There are so many kinds of politicians...from Sunday speeches it can be seen that many politicians just want to be seen in public.

[Question] But a politician thrives on publicity?

[Answer] Indeed, it means much to many. But mere publicity will not support you.

[Question] If a politician does not have any other profession, he must secure his future -- the aspiration to be in the public mind is, therefore, understandable.

[Answer] It is somewhat of a pity, if a politician does not have another profession. A politician should have something, it would guarantee his independence.

[Question] An incorrect dependence affects the morals of a politician?

[Answer] Perhaps so. Any means can be attempted to stay on top.

[Question] But if a politician has a family, he must secure his source of bread and butter?

[Answer] It is difficult, one must say, if one has to depend on politics alone. On television recently Aare Simonen's interview was replayed, and he warned those who would follow about the difficulty of political life. It has been said many times about Simonen -- he was no pushover.

[Question] Would you choose politics again, if you could choose?

[Answer] I did not exactly choose this field, it chose me. I never intended to enter the field, I was only pulled along -- again and again. Two or three times I tried to disengage myself, I wrote a dissertation, I planned a university career, among other things. It went differently.

I was in the government a long time, even a prime minister, without being a member of the Diet. I fought against entering the Diet for a long time. And I am still not sure that I did the right thing. And I am not sure how long I will remain there.

"It Would Be Nice to Just Live a Little"

[Question] Why so?

[Answer] Perhaps for the reason that all that dark side of politics, which I have been talking about here, is sometimes disgusting. It would be nice, if in this life I should have a chance to live a little of my own private life.

One foreign acquaintance once said to me when I asked him how he is: "I can only say that there is much work and life is passing me by."

Here was a glimpse which concerns many politicians. For them we will be giving a eulogy -- for them who remained in politics to the end.

The demands on politicians are unlimited, but the powers are limited.

[Question] Can a politician become discouraged? If he becomes discouraged, what means are there for getting away from discouragement?

[Answer] In general the premise is that politicians cannot become discouraged, a politician cannot be ill, a politician cannot be tired. If one of these conditions exist, one cannot in any case show it. If you say that you are a little bit sick -- as every person sometimes is, the radio goes into action. The next thing is that you are on your deathbed.

Therefore, many politicians hide behind a shell and do not say anything about their personal difficulties.

"One Can Get Out of This"

[Question] A politician is not able to relieve his aggressions?

[Answer] For me personally it is not difficult. I just go to my cabin for the weekend, away from the public or otherwise enjoy the solitude. Or I go for a walk or go swimming.

[Question] A normal person can relieve stresses at home but can a politician do this -- since he is home so seldom. Perhaps the family expects too much.

[Answer] I have never taken out my stresses on the children, I have strove not to do this even in the smallest way.

But a person always has a feeling of insufficiency -- everyone does. Consideration should be given to those close to you -- of course, the family above all. Everybody's powers are limited. But if one becomes fed up with this, one can get out of it.

[Question] Do you sometimes have the urge to leave.

[Answer] Many times I have been close to it. Who knows what day I will leave.

[Question] But there is much in the position and work of a politician that is lacking in the lives of others?

[Answer] It is exceptionally rich and variable. And one can get satisfaction from it -- if one can find the time.

[Question] It has status.

[Answer] I cannot say that status is so terribly important. Sometimes it seems that if I could choose my status, I would live in a cabin in the country. From there is where I came.

I frequently think that if I could return to that time, when I was in the country in my own small house with my few interests.

My home was a 3 hectare piece of land in Hirvensalmi. There were four of us children. Economically we were poor but our childhood was relatively happy. We went to secondary school at a distance of 55 kilometers -- and without any financial assistance. I still continue to marvel how our parents were able to educate us with such little money.

## The Bank Is More Sympathetic Than Politics

[Question] You are considered to be somewhat shy -- did you suffer from publicity?

[Answer] In the beginning I suffered from public presentations. But shy is not the correct word. Perhaps I am somewhat quiet, I have obviously become older. We are what we are.

[Question] Is a politician alone, does he have friends?

[Answer] Relatively few, at least such that one can trust on good as well as bad days. On good days there are plenty of friends.

[Question] Does not one become cynical?

[Answer] (A yawn) I do not know... perhaps I have become somewhat cynical, perhaps somewhat sorrowful -- this is perhaps life. "There is nothing new under the sun." Politics has always been such according to history. But someone must manage the affairs of even this country.

[Question] Then what makes you stay in politics?

[Answer] Perhaps the fact that one thinks one can do something reasonable and positive in the affairs of the country.

Bragging does not accomplish much in politics. For a short time a bragger receives great favor. But I have had the custom of saying that all bubbles will eventually burst -- as is what happened with Vennamoism.

[Question] You have not had enough of the struggle?

[Answer] No, all of life is a struggle -- even though it is sometimes discouraging.

[Question] Why do you now say that?

[Answer] Sometimes I ask myself whether I must listen to all kinds of prattlings, the accusations and witch hunts will last. Would not it be possible to live a simpler life. For example, the Bank of Finland is a much more sympathetic place than day to day politics.

## "Honest Work Indeed Endures"

[Question] Hardening and tempering oneself is perhaps the only means for a politician to endure the pressures. Does not a person lose his sensitivity in this?

[Answer] I do not know. But one acquires a poker face. I believe that many politicians are basically very sensitive. One can endure what people say, write, or gossip, if one concentrates only on work and less time is spent on one's thoughts. In general a person can endure honest work -- if he is healthy. Generally the difficulties arise from personal vexations.

From what I have been able to observe about politicians from the postwar period until now, they either die from a blood clot or suffer from ulcers.

I have tried to avoid being everywhere at the same time. I try to limit my comings and goings.

When I was prime minister, I proposed that at least every other weekend be kept free, that no political events would be arranged, I said that then politicians would have a time to rest, to think, and not to just speak.

At that time the idea did not catch on. But I believe that we are now more prepared for it.

Diet members and ministers go to their home districts on Friday nights and over the weekend deliver speeches, receive delegations, and listen to complaints. They are seldom told anything pleasant but in general people talk about what is lacking.

This is not actually the life of a human being: to be a public bone on which everyone can chew.

[Question] Do you fall into this category?

[Answer] To some degree. But I try to find a certain amount of solitude.

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## FINLAND

### STALINIST LEADER DISCUSSES RIGHTWING ACTIVITY

Helsinki KOMMUNISTI in Finnish No 2, 77 pp 92-96

[Article by Taisto Sinisalo: "On Certain Occurrences of Rightwing Activity in Our Country"]

[Text] The extensive analysis of the situation conducted at the November meeting of the Central Committee emphasizes the discussion of the overall crisis in capitalism and the current economic recession, in particular. The chief task of communist action is a campaign to find a democratic way out of the crisis. Activities on behalf of a change of direction in economic policy seem to be an important part in it.

It would, however, be incorrect to see this crisis in capitalism only as an economic dilemma. This crisis also appeared in the most pointed manner in the area of politics and ideology, among other things. As one of its manifestations it increases the danger of the rightwing. "An attempt will be made to use the crisis in capitalism to the benefit of reactionary alternatives," states the document "On a Democratic Way Out of the Crisis."

The current crisis requires that more serious attention be given to the forms and content of rightwing activity. "The organization and activities of the rightwing require that the workers' movement and progressive forces form a more definite coalition behind a democratic alternative" ("A Democratic Way Out of the Crisis"). This presupposes vigilance with regard to rightwing activities and activism in the struggle against it.

The strengthened attacks of big capital and reaction against the working class and other working people are based on the indecision and instability of the capitalist class. In a historical sense the reaction is in a defensive position. This, however, does not support the argument that the danger of the rightwing has decreased. "The revolutionary experience of recent years has graphically demonstrated that the domination of monopoly capitalism and its political subordinates have become threatened, imperialism will not eschew any means. It will even give up ostensible forms of democracy. It is prepared to trample the sovereignty of states as well as any form of legality, not to mention humanity," stated General Secretary L. I. Brezhnev at the 25th Congress of the CPSU. Chile is not the only example of the

correctness of this appraisal. In analyzing the present situation B. Ponomarev, candidate member of the Politburo of the CPSU Central Committee, stated that "the activization of rightwing forces under the conditions of a social crisis in capitalism will pose a real and serious threat to democracy" (SOSIALISMIN TEORIA JA KAYTANTO, No 2, 1977).

The expanded economic and political relations with the imperialist centers of the West are increasing the danger of the rightwing in our country. The EEC decision and other corresponding actions are not dangerous in themselves because of direct effects but for the fact that they have encouraged reactionary forces and have aggravated the struggle concerning the international position and the direction of social development in our country. There are sufficient examples of the fact that the danger of the rightwing is being increased not only by activization of rightwing organizations in our own country but also by the expanded activities of international reactionary forces in Finland.

The overall situation, which has become ever more complicated and difficult for the bourgeoisie, is forcing reactionary spheres to resort to increasingly diversified methods in their actions. The use of two traditional bourgeois tactics developed to a greater degree is appearing more forcefully than heretofore in our country.

V. I. Lenin attached considerable attention to the diversity of bourgeois tactics in analyzing the methods of struggle against the advancement of the bourgeoisie. He indicated that the bourgeoisie would use precipitous actions of violence or more liberal methods of enticement in accordance with the demands of the situation.

One of the peculiarities of the current situation is that these two tactics are being formed into an increasingly unified and concentrated overall line of action by the bourgeoisie. Different methods are being used simultaneously and selectively. The most highly developed integration tactic can in one issue be directed against this or that segment of the population while at the same time -- and even in connection with the same issue -- the strictest measures possible may be directed against another segment of the population or faction. The different methods of reactionary attacks can be carried out by different rightwing organizations and forces but they can be united in the actions of even the same organization. We can see that in order to maintain disunity within the workers' movement, for example, the bourgeoisie simultaneously applies various methods of enticement very selectively and undisguised forms of attack with regard to the workers' movement.

All this manifests itself in very concrete forms in our country. Along with the enticement methods of the income policy and high level "cooperation" the bourgeoisie conducts crippling actions against workers' rights even denying the rights of assembly at places of employment and directing precipitous acts of violence against shop stewards, labor safety people, and so on. The bourgeoisie has developed extensive forms of communication such as seminars,

courses, and so on, to which it knowingly also invites representatives of workers to join in "cooperation." The intent is to even expand this activity as the disclosed plans of the EVA [expansion unknown] indicate. This ostensible liberalness does not eliminate the fact that these same "ready-to-cooperate" forces are conducting the most abusive attacks and acts of violence against democratic study, progressive cultural life, youth, and other democratic organizations.

In the present situation the bourgeoisie is not able to unite its ranks to the extent it would like. From time to time a sharp contradiction appears between the procedural lines of the two tactics, states the November document of the Central Committee. However, these facts must not confuse workers and other democrats and keep them from seeing that behind both tactical lines there is the aspirations of the bourgeoisie to prevent progressive development. For example, the strengthening of the position of the Coalition Party is based on the use of diversified tactics developed to an ever greater degree. All this "presents a serious challenge to the workers' movement and all progressive forces" ("A Democratic Way Out of the Crisis").

The network of rightwing organizations in our country is extensive. In spite of the apparent diversity rightwing forces are above all united by a profound anticommunism (in its various forms), an anti-Soviet attitude, anti-Kekkonenism as one manifestation of an anti-Soviet attitude, and a forceful nationalism. From time to time it seems that democratic forces have not even begun to give sufficient attention to this latter-mentioned matter. However, it can be concluded that reactionary spheres are making the 60th anniversary of our independence, for example, into a campaign fomenting a forceful chauvinism while taking advantage of state power, among other things.

A faction of openly fascist organizations is operating in our country and is enjoying considerable publicity. This faction includes, among others, the Turku Spiritual Science Society, the Pegasos Society, the Fatherland and Freedom Organizations, and the Patriotic Peoples Front. In recent months the undisguised fascist propaganda activities of these organizations have aroused considerable indignation among those who have made the subject of their propaganda attacks. Also the Nordic National Party is extending its activities directly into the country.

Activities practiced under the guise of religion make up a special part of the activities of rightwing organizations. Their role against socialism and the Soviet Union is stressed in the increased attacks of the reaction against socialist countries under the erroneous banner of so-called "civil rights." The Christian League has become -- as the practical actions of this party indicate -- one of the extreme rightwing forces operating in our country's political arena.

It is astonishing and alarming that the government repeatedly exhibits its failure to do anything with regard to them -- for example, in its answers to the numerous inquiries made from the floor of the Diet about fascist activities. This failure to act cannot be approved even to the slightest degree but public opinion must be raised to become such a force that it will force the government to take steps against actions in our country clearly contrary to the treaty.

The organizations of paramilitary reserve officers and noncommissioned officers, in particular, are attempting to foster and continue the activities of fascist organizations abolished after World War II. Recently as a result of rightwing activities in these organizations special interest has been exhibited in guarding the traditions of the Lotta [Women's Auxiliary Corps] organizations, for example. The statement made by RESER-VIUPSEERI about the decision to abolish the Lotta organizations: "This decision to abolish them merely indicates that the work of Lotta -- was given an importance worthy of serious consideration!" is an outright ridicule of our country's democratic development and Finnish-Soviet relations.

The reserve officer organizations have also become more active in areas connected with foreign policy questions and even in this the forceful influence of rightwing forces can be felt. Thus the recently published "12 Theses" of the Reserve Officers League contained a definite stand opposed to the YYA [Friendship, Cooperation, and Mutual Aid] Agreement. The activities of reserve organizations in the form of paramilitary activities with close cooperative ties with the army also makes it dangerous that the Reserve Officers League has announced that it relies on a joint Nordic security policy line in its action. What joint security policy line can Finland have with NATO countries?

In the overall picture of activities by rightwing organizations it is worthy of attention that the officers' EVP [expansion unknown] organization considers that it can state publicly that which is discussed more covertly in certain organizations. At a function held on 10 October 1976 in Helsinki this officers' junta demanded the repudiation of the Paris Peace Treaty and considered it to be a shackle on our country!

These paramilitary rightwing organizations have extensive ties especially with the army but also with other state organs. On Independence Day last year this was made clear by the presence of the flags and representatives of reserve officers' organizations in the national independence day parade in Kouvola. One of the most important tasks of the struggle against the rightwing will be to bring an end to cooperative relations between the army and rightwing organizations. It is a part of the requirement that the army must protect democracy.

The dangerous nature of the present situation became apparent in an alarming manner in so-called documents intended to be secret about "A Plan for the Effective Protection of Enterprises," which was disclosed by TIEDONANTAJA

in September 1976. From them it becomes indisputably clear -- and this was confirmed by the Defense Minister on 28 October 1976 in his answer to the Diet's interpellation -- that detailed plans to include supplies of arms have been planned on the part of the defense establishment and certain industrial plants in the event of "a domestic and outside crisis." The Defense Minister justified this military activity by the insufficiency of adequate defense forces. It is noteworthy that these plans were made without any kind of democratic supervision unknown to the parliamentary defense committee and the Diet and that the activity itself was taking place outside of any democratic supervision.

Subsequently a committee to deal with the question of so-called crisis legislation was established by the Defense Ministry -- evidently forced by the disclosure of its plans. One timely task of struggle against the right-wing will be to repeal several especially undemocratic crisis laws contained in our country's legislation and to bring a halt to secret rightwing activities, which it is conducting under the guise of making preparations for a crisis situation, among other things. The significance of the crisis laws in effect, the authority to prohibit a strike, among others, should not be underestimated but, to the contrary, it should be remembered that "the law concerning the security of people's livelihood and the country's economy under exceptional conditions," which was legislated in 1970, was suitable for application during the 1973 oil crisis. These reactionary laws in the hands of a reactionary government, become a severe weapon against democratic development.

The Foundation for the Support of Finnish Society established in 1952 occupies a central position in the activities of reactionary organizations in our country. This is the actual central organization of reactionary activities in our country. Its activities are not in any case limited just to the economic area, for which it has created its own special organizations. The activities of this organization along with its infiltration activities and the enterprises involved in this come close to limits behind which there are open terrorist and fascist acts. It is grotesque to think that this activity is called "a strengthening of the principles of national independence."

The extensive network of rightwing organizations includes the supervision of and a hold on big capital through economic support, among other things. Among other things, it also makes it possible for the above-mentioned organizations to conduct their activities on a large scale. For example, it is no small matter to ensure the funding of approximately 60 publications appearing under the name of national defense papers, not to mention other rightwing activities.

In 1958 the Defense Organization was established in our country. It is one channel by which economic support from big capital is directed to rightwing activities. The above-mentioned organization has considered this particular

time suitable for publicly making a show of "the insurance payment system" based on the turnover of industrial and commercial enterprises, through which tens, perhaps, hundreds of millions of markkas are collected annually. The numerous counselor of mining, counselor of commerce, and other corresponding titles repeatedly appearing in the enumeration of the leading individuals of these organizations also attest to the ties of big capital to rightwing organizations.

Among other things, the extensive propaganda activities of the above-mentioned rightwing organizations -- which the reactionary press of our country supports -- have more than ever before made it imperative to limit such activities by means of state power. As is known the United Nations has proposed that all states prohibit war propaganda and comparable actions by law. The goal of the 17th Congress of the SKP [Finnish Communist Party]: "Let us enact a peace law by which war propaganda and the fomentation of national and racial hatred will be prohibited" (Program of Cooperation Among Democratic Forces), is timely and there is cause to strengthen the mass struggle for the initiative of the SKDL [Finnish Peoples Democratic League] Diet faction concerning its implementation.

The Commission on Commerce and Industry, EVA, established in 1974 seems to play its own special role in our country's rightwing activities.

Already the advertising campaign connected with its establishment gave one the right to conclude that the commission would become a rather significant body of big capital and the rightwing. In the fall of 1974 the SKP presented its evaluation of the EVA: "The establishment of the EVA is an indication of the aspiration of big capital to find reactionary solutions to the deepening crisis of state monopoly capitalism and to confuse the consciousness of the working masses with regard to the imperative nature of fundamental changes."

The passing years have demonstrated that this evaluation is correct and in recent times we have seen more than the usual number of concrete indications of this.

Last August the so-called new Jollas seminar "Finnovaatio" under the slogan "Row Finland into the Harbor" was organized in Lahti to support the capitalists and their policy. In connection with the seminar EVA's managing director Max Jakobson presented a social agreement plan for expanding and augmenting the procedures of the income policy. Jakobson characterized the task in such a way that now should be the time to develop forms of cooperation both internationally and domestically in a manner corresponding with the demands of continuing integration.

After having confirmed that not only are Marxist theorists talking about the crisis of the capitalist system but pessimistic evaluations with regard to the viability of the system have also appeared within "Western democracy's" own circles, he envisaged that on the basis of the concept of a social

agreement more effective measures of cooperation should be taken by the decisionmakers in commerce and industry and politics.

Material from an EVA seminar held secretly in Helsinki in November was subsequently made public at the beginning of the year. This material indicates in what form big capital will develop its plans.

The strategies of big capital consider the advancement of socialism, the ascension of wage earners to a majority position in society, and the increase of freedom of action for workers, among other things, to be a challenge. The goal established was to make a transition from support of ideological discussion, the development of internal relations in commerce and industry, communication, education, and research as well as the support of other measures to a position of attack.

An indicative trait in these plans is the aspirations to adopt the increased criticism of socialism such as the forms of enterprise democracy beneficial to big capital as a weapon of attack at the same time that plans are being made to place the press, radio, and television under the increasingly tighter control of big capital. The intent is to develop the social agreement system by means of forming an economic policy management exercise as well as a special social policy commission.

The new plans of the EVA mean an increase of rightwing pressure and new forms of attack by big capital against the majority of the people in more refined forms. A disclosure of these plans will naturally help in their prevention. It is especially important to give more serious attention than heretofore to the audacious aspirations of the EVA to bring the government into the implementation of the increasingly stronger new plans being laid out by the strategy of big capital. The effect of the reactionary tendency of the state's role has received forceful confirmation in recent political developments. V. I. Lenin even pointed out that bourgeois political democracy goes with free competition capitalism but political reaction goes with monopoly capitalism. It is not a question of development which democratic forces would not have an opportunity to influence but it presupposes the decisive prevention of the plans of big capital and political reaction.

In the November document of the Central Committee it states: "The rightwing has a continually forceful influence on officialdom especially and on the policies of the center parties and the SDP [Finnish Social Democratic Party]. Under the protection of the Coalition Party there is a continuation of rightwing activities, which war against our country's official foreign policy and its bases, the Paris Peace Treaty, and the YYA Agreement." These important points of view must be taken into consideration in making the struggle against the rightwing more effective.

Even before the November meeting our party has made numerous evaluations of the danger of the rightwing and decisions regarding the struggle against it. For example, in 1973 the Central Committee approved a broad resolution

in connection with the 25th anniversary of the YYA Agreement, giving an important position to the task to prevent the danger of the rightwing. The 17th Congress made decisions, which continue to be timely, with regard to the issue.

In its struggle our party also depends on the broad experience of the international communist movement. The peace program of the 24th and 25th congresses of the CPSU, in particular, make up an important program of action for Finnish Communists in the struggle for progress and peace. The Conference of European Communists and Workers Parties held in Berlin in June has also provided important programs of action with regard to these tasks.

The 30th anniversary of the peace treaty is being celebrated in our country. The events of 30 years ago are connected with stages important to the democratic development of our country. The struggle for peace, democracy, and social progress can today rely on these important achievements and the rich experience of the struggle.

The most important precept of these past decades is connected with the imperativeness of vigilance and the unity of workers' and democratic forces in the effort to prevent the attempt of the rightwing to halt democratic development. The Central Committee of the SKP relies on this experience in its document "A Democratic Way Out of the Crisis" in stating: "In the opinion of the SKP cooperation between the left and the center will have a content directed against big capital and it must direct itself at weakening the positions of the rightwing and isolating rightwing forces."

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## FINLAND

### FINNISH-SOVIET TRADE REVIEWED, ANALYZED

Helsinki KOMMUNISTI in Finnish No 2, 77 pp 84-91

[Article by Aarne Saarinen and Turo Bergman: "Trade and Economic Cooperation Between Finland and the Soviet Union"]

[Text] This year it will be 60 years since the Russian October Revolution and since Finland gained its independence. These events and the political development which commenced after them in our own country and in Europe fundamentally changed mutual relations between Finland and Russia. For 100 years Finland belonged to Russia as the Grand Duchy of Finland but at the same time it enjoyed extensive autonomy. The development of Finnish capitalism, the rapid growth of modern industry, and the elimination of the remnants of feudalism dating back to Swedish rule began in connection with Russia, a monetary unit and banking system were created for the country, ground and water transportation was developed at a rapid rate, trade and sea travel were expanded. This forceful economic development to a great degree occurred as a result of Russian markets and commercial cooperation between the two countries. The development of the lumber industry and its rapidly growing production, which began during the last half of the last century, was primarily marketed to Russia. The same applies to livestock products.

The victory of the Whites during the class war resulted in the fact that commercial and other economic relations with our large neighbor were practically speaking broken off completely for several decades. Indeed, for example, Russian grain was purchased in Finland from time to time, but through Germany and certain other capitalist countries. From this began our country's western outlook in foreign policy and foreign trade, which even to this day -- in spite of vast changes -- has complicated the development of trade and other economic cooperation between Finland and the Soviet Union and has prevented it from becoming more important than it is today.

Even though there are reasons independent of our country for the forceful development of trade and economic cooperation with the Soviet Union and other socialist countries, obviously there are also political reasons, misconceptions, and prejudices as well as excessive binds to capitalist countries resulting from them. The latter-mentioned have been purposefully

strengthened by the so-called free trade agreement. Also persistence can be attributed to the concept according to which our country's big capitalist and rightwing spheres have long ago decided that the relative proportion of trade between Finland and the Soviet Union in our country's foreign trade cannot exceed 20 percent. Practice seems to bear out the fact that there is such a "magical" limit, which for the time being has not been exceeded.

The current economic situation and its unsatisfactory prospects for development in our own country as well as in the whole capitalist world provide cause for all those seriously concerned with the interests of our people and their future to make more serious and purposeful efforts to eliminate all obstacles before the comprehensive expansion of economic cooperation between Finland and the socialist countries.

#### Development of Trade Between Finland and the Soviet Union in the Current Phase

In spite of the obstacles and difficulties it can be considered that trade between Finland and the Soviet Union has on the whole developed positively. During the last 25 years the value of the exchange of commodities between our countries has increased by nearly 1900 percent. A portion of this increase in value is a result of the increase in world market prices but the most important factor, however, has been the increase in the volume of commercial transactions.

The forceful increase which has occurred in Soviet trade is also reflected in the growth of the relative proportion of the Soviet Union in Finland's total exchange of commodities. At the beginning of the 1950's the Soviet proportion of our total trade was only less than 10 percent, now this proportion is already nearly 20 percent. Taking a look over the long haul the growth rate of our trade with the Soviet Union has thus been perceptibly faster than the average growth rate of foreign trade with other countries.

Table: The distribution of Finland's foreign trade according to trade groups in the years 1961, 1972, and 1976<sup>1</sup>, in percentages:

	1961		1972		1976	
	Import	Export	Import	Export	Import	Export
CEMA	18.9	17.5	15.2	15.2	21.8 <sup>2</sup>	23.7 <sup>2</sup>
EEC	34.4	30.8	29.0	21.3	34.7	38.1
EFTA	31.7	33.6	44.7	47.4	23.2	23.1
Other countries	15.0	18.1	11.1	16.1	20.3	15.1
Total	100	100	100	100	100	100

1. The relative proportions of trade with the EEC and the EFTA have been calculated according to the trade policy situation prevailing in that particular year.

2. In 1976 the Soviet proportion of total imports was 18.5 percent and correspondingly of exports was 20.2 percent; in 1976 the Soviet Union was again our largest trading partner.

But as we have already stated there have been difficulties. As can be observed from the above table the proportions of Finland's imports and exports of the trade conducted with CEMA-countries decreased in the years 1961-1972, after the Finefta-agreement concluded with the EFTA was put into effect. Correspondingly the proportions of exports and imports between Finland and the EFTA grew significantly during the period in question. Let it be said that even though we have examined the proportion of CEMA-countries in our country's foreign trade in the above table, the significance of the trade conducted with the Soviet Union is, however, decisive since the proportion of this trade is approximately four-fifths of the trade between Finland and the socialist countries.

Even though the gradual elimination of customs tariff was agreed upon in the trade between Finland and the Soviet Union in connection with the Finefta-agreement, the agreement still hindered the growth of trade between Finland and the Soviet Union. This happened for two reasons: in the first place, approximately half of the imports coming from the Soviet Union were already duty free before the Finefta-agreement. Thus the duty reductions agreed upon in the above-mentioned agreement concern a relatively smaller portion of imports from the Soviet Union than from EFTA countries. In the second place, the elimination of the licensing of certain products which occurred during the preparations for the Finefta-agreement for its part also weakened the position of the Soviet Union and a trading partner of Finland in relation to the capitalist EFTA countries. For certain products coming from the Soviet Union rather significant quotas were applied by the licensing system in comparison to products from the West.

After the slower rate of growth for Soviet trade as compared to trade with the West, which occurred at the conclusion of the 1960's as well as at the beginning of the 1970's, a change took place beginning with the end of 1973. While trade with capitalist countries increased by approximately 40 percent in the years 1973-1974, our trade with the Soviet Union during those years increased by more than 100 percent or by two times. This development, which made the Soviet Union Finland's largest trading partner in 1974, was a result of the so-called energy crisis, which occurred in capitalist countries at the end of 1973: When the price of energy imported to Finland from the Soviet Union increased because of the drastic increase occurring in world market prices, the Soviet Union eased Finland's difficult trade situation by perceptibly increasing imports from Finland.

The above-mentioned development is also observed from the above table, in which the proportion of CEMA trade in 1976 increased by approximately 22 percent as far as imports are concerned and by nearly 24 percent as far as exports are concerned. Let it be said that the change in the average proportions of EEC and EFTA trade observable from the table from the year 1972 until the year 1976 can be primarily explained by the fact that England, which is a rather important trading partner, moved from the EFTA to the EEC in 1974.

## Trade Structure and Economic Cooperation Between Finland and the Soviet Union

When trade between Finland and the Soviet Union is subjected to a more detailed examination, a definite structural difference can be observed in comparison to trade with the West. Finnish exports to the Soviet Union are overwhelmingly made up of processed and refined products. The proportion of products from the paper and metal industry comprises approximately 80 percent of Finland's exports to the Soviet Union over the last 10 years, while a corresponding proportion of our exports to EEC countries has been approximately 70 percent and to the EFTA only approximately 50 percent. The processing and refining level of Finnish exports to the Soviet Union is definitely higher than the average processing and refining level of our exports, which means that our exports to the Soviet Union is comprised of more Finnish labor than the average. The multiple effect of exports to the Soviet Union on our country's economy is thus more forcefully activating than the average.

Finland's imports from the Soviet Union differ even more significantly in structure from imports from the West. Imports from the Soviet Union primarily consist of raw materials and fuel; taken together their share over the last 10 years has been approximately 75 percent. The import share of corresponding products from EEC countries for the same period has been a little less than 15 percent and somewhat less from EFTA countries. The proportion of investments and consumer goods in Soviet imports at its best has been only a little less than one-third, while on the other hand the proportion of these commodities in EEC and EFTA imports over the last 10 years has been on an average of 80 percent. Thus imports from the Soviet Union are definitely less than imports from the West as far as the degree of processing is concerned, which is completely the reverse of our country's exports. It seems that there will not be a change of direction in the future as far as importing machinery and equipment is concerned. For example, according to a report on the exchange of commodities for the current year there will be a more than 10 percent reduction this year in the importing of machinery and equipment as compared to the previous year.

One special feature, which should be mentioned about economic relations between Finland and the Soviet Union, is something that is more than just purely connected with the conduct of trade, the vast importance of so-called economic, industrial, and scientific-technical cooperation. Cooperation between Finland and the Soviet Union in this area, in particular, has not just remained agreements on the books but in recent years especially has acquired new concrete practical forms.

Of the concrete achievements in economic cooperation between Finland and the Soviet Union one can mention that the Soviet Union has participated in the construction of the Raahe Rautaruukki Ironworks as well as the fact that Soviet experts have aided the Finns in the construction of their two first atomic power plants at Loviisa and Soviet experts also participated in the construction of a thermal power plant in our country. On the other hand, the

Paajarvi Lumber Processing Center in Soviet Karelia was built in two phases with Finnish help, and Finnish experts participated in the expansion of and renovation of the Svetogorsk Cellulose and Paper Plant. In 1975 an agreement was concluded on the participation of Finnish enterprises in the renovation of the Norilsk Mining and Refining Combine, and negotiations have been going on for an even longer time between our countries on the construction of the city of Kostamus as well as the Kostamus Mining and Refining Combine by Finnish labor. In addition to this Finnish participation in the construction of a cellulose and paper combine as well as a lumber processing center in Siberia and in the construction of new hotels and roads for the 1980 Moscow Olympics is being discussed.

In addition to the above-mentioned experiences in economic cooperation there is also a certain amount of experience between Finland and the Soviet Union in the area of production specialization and cooperation. It can also be mentioned that the scientific-technical cooperation between our countries is developing successfully encompassing an exchange of scientists and experts, economic and scientific-technical information, the results of research, experiences, licenses, and patents.

#### The Special Traits and Problems of Trade and Economic Cooperation Between Finland and the Soviet Union

A significant special trait in the conduct of trade between Finland and the Soviet Union is the fact that trade between our countries is based on an agreement. Since the first trade agreement concluded between our countries in 1947 and the first 5-year agreement concluded in 1950 trade between our countries has developed steadily on the basis of an agreement. Indeed, even in this respect development has taken place: while the conduct of trade in 1947 was planned for a 1-year period, the basis for the conduct of trade now lies in 5-year skeleton agreements, and in addition at this time there are plans according to which we will attempt to implement a prospective program of cooperation covering a period of 15 years. It is clear that lengthening the terms of an agreement will in itself promote trade between our countries. Longer agreements will for their part ensure that Finland will stay in the Soviet market and, on the other hand, will in certain areas facilitate the accomplishment and the balancing of imports and exports.

As far as development taking place in the practical application of trade agreements is concerned it should also be mentioned that these agreements extend to areas other than traditional foreign trade. Finland concluded an agreement of scientific-technical cooperation with the Soviet Union already in 1955, and an agreement on economic, scientific, and industrial cooperation (TTT Agreement) was concluded in 1971. As we have already stated above in recent years these agreements have acquired concrete forms of implementation especially in the area of industrial cooperation but also in other areas.

Another significant special trait in the trade between Finland and the Soviet Union is its bilateral nature. In Finnish-Soviet trade exchangeable currencies are not used, but payments are directed to the clearing-accounts in the banks of each respective country, where the balance of trade is controlled. In a bilateral trading system a known amount of imports is always paid for, at least over a period of time, by a corresponding value in imports. In the conduct of trade between Finland and the Soviet Union no exchange or balance of trade problems can arise, a circumstance which is of special importance to an economy struggling in the grips of the continuing foreign trade policy problems of our country.

A third trait to be taken into consideration in the trade between our countries is the already previously mentioned structural obliqueness. In the trade between Finland and the Soviet Union Finland has primarily met its need for energy and raw materials by imports from the Soviet Union, and in exchange has exported -- as a result of the bilateral nature of the trade -- in value an equivalent amount primarily consisting of processed and refined products of the metal and paper industries. Such trade has been beneficial to Finland. However, analyzed more carefully one can also observe drawbacks in this development, when examined from Finland's point of view. In world trade there is a tendency for trade in processed consumer goods and investments to grow faster than trade in raw materials and fuel, and in this respect the trade between Finland and the Soviet Union is no exception. This trait has meant that the slow growing imports of raw materials and energy from the Soviet Union have become an obstacle to cultivating our exports to the Soviet Union; opportunities for exports would be considerably greater but because of the paucity of imports they have not been implemented under the requirements for balanced trade. It is clear that these lost opportunities for exports have also weakened opportunities for growth of the domestic economy.

The fourth significant special trait of our country's Soviet trade can be found when a study is done of fluctuations in trade, both exports as well as imports. As can be seen from the appended graph exports from Finland to the Soviet Union have fluctuated even more forcefully than Finland's other exports. In the latter part of the 1950's and even still in the 1960's the fluctuations of these exports to the Soviet Union have in their timing been rather clearly the opposite of market fluctuations in exports to the West, and the situation being thus they have balanced the fluctuations of the overall demand for Finnish export products. In studies it has been possible to demonstrate that the fluctuations in our exports to the Soviet Union is partially caused by technical reasons in the agreements -- especially as a result of the length of time involved in the delivery of machinery and equipment deliveries are in general dated toward the middle and the end of the skeleton agreement -- and partially by the conduct of Finnish enterprises. In a commodity group examination of Finnish exports to the Soviet Union it has become evident that during a period of a rising and good economy, when the price level in Western markets is generally rising, Finnish enterprises have transferred their exports from the Soviet market to Western markets in

hopes of greater profits. During a recession they have once again been forced to resort to Soviet markets when demand in the West has fallen off. This has been the reason for fluctuations in exports to the Soviet Union, which in their timing have been the reverse of fluctuations in Western demand for Finnish export products. This phenomenon, which became stronger in the 1960's and in the beginning of the 1970's, is especially visible in the exporting of consumer goods and products of the chemical and wood processing industry, the textile industry, and the clothing industry.

Imports from the Soviet Union for their part have fluctuated in an identical manner with market fluctuations in our economy, in other words, imports have increased at an above average rate particularly during periods of a rising and good economy. The reasons for such behavior have not been fully studied but the structure of imports from the Soviet Union can be mentioned as one of the factors: it is evident that during a rising or good phase in our economy, when investment activity has increased, the need for raw materials and energy in the enterprise sector has also been great.

The lack of coincidence in the fluctuation of exports and imports in Finnish-Soviet trade -- taking into consideration the bilateral nature of the trade -- has possibly slowed down the growth of trade in spite of the fact that a flexible application with regard to the balance limit of the clearing account have been carried out. In any event the existence of such fluctuations has meant that our country's national economy has not been able to fully take advantage of that advantage which trade with the Soviet Union conducted on the basis of an agreement provides: it would seem natural that the conduct of trade with the Soviet economy, which is developing steadily and evenly, would also develop steadily and evenly.

#### Conditions for Resolving Problems

The trade and economic cooperation between Finland and the Soviet Union entails problems and difficulties. Many of them were not discussed in the above presentation but in addition to them there are problems connected with the system of payments, the question of pricing, the terms of delivery, and the technicalities of the agreements. One of the circumstances causing its own particular difficulties is the fact that our countries are different by language and culture: this particular difficulty is especially reflected in the cooperation in the area of industry.

The most important and serious problems, however, are directly connected with foreign trade and occur in connection with ensuring a rapid growth of trade as well as with making the structure of our exchange of commodities more comprehensive. The development prospects for trade with the Soviet Union and the goals established for its growth should be examined in light of the development goals of the whole economy and the probable development directions of the whole spectrum of commodity trade. From the point of view of development goals Soviet trade gives the impression of being especially favorable. Exports to the Soviet Union are by their structure a strengthening factor in the continuing development opportunities of our economy and imports complement our domestic production.

The rapid development of our country's trade with the Soviet Union is indispensable when one examines the probable development trends of the whole national economy as well as the exchange of commodities. On the other hand, the most essential problems appearing in our trade with the Soviet Union -- the structural obliqueness of the trade and the fluctuations manifesting themselves in the exchange of commodities -- are accentuated in the present economic situation. The Finnish economy is struggling in the grips of an exceptionally deep and according to predictions also an exceptionally long recession. The development prospects to the West are especially weak. In the prevailing situation it is quite natural that hopes will once again be placed on a more than normal amount of exports directed toward the socialist countries -- especially the Soviet Union.

The cultivation of exports to the Soviet Union, however, also presupposes the cultivation of imports. A perceptible increase in the growth rate of imports from the Soviet Union does not, however, seem possible in the near future without special efforts. Inevitably the question of making the structure of Soviet imports more comprehensive and of increasing their level of processing arises. The development of machinery and equipment imports occupies a central position in this.

In the years 1972-1974 extensive overinvestments took place in the Finnish economy. For example, in 1974 approximately a total of 7.5 billion markkas' worth of machinery and equipment was imported into the country. Out of this amount only approximately 3-4 percent or approximately 300 million markkas' worth was imported from the Soviet Union. Now -- under recession conditions -- a large portion of this imported production capacity remains unused. The need for investments and also naturally the need for the importation of machinery and equipment in the near future will not be great. For this reason special stress must be placed on directing the acquisitions yet to be implemented. In the near future procurements by the state, state enterprises, and especially by the municipalities should be influenced so that they would be executed from the Soviet Union.

#### Future Prospects and Tasks

As we stated above Finland and its great neighbor have long traditional relations of economic cooperation and experiences from them, which on the part of Finland, have been entirely positive with the exception of the era of the "great hate" maintained in Finland in the years 1918-1944. These experiences speak rather forcefully for the fact that there is cause to develop these relations by all possible means since they serve the interests of our country's economy and thus all the people. The general economic recession in capitalism forcefully emphasizes the importance of this matter especially today. The effects of this recession in Finland would be worse than they are if we did not have such significant cooperation with the Soviet Union. But negative effects would be less if this cooperation were broader and more comprehensive.

When over the years we Communists have continually emphasized the above-mentioned point of view, bourgeois propaganda has attempted to create the impression that we supposedly want to cease trade with the capitalist world. This is, of course, the coarsest kind of distortion. This is an unreasonable argument. We are of the opinion that Finland's economic life is excessively dependent on the exceptionally unstable economic development of the capitalist world. Thus it is a question of stressing commercial relations in such a way that our country's economy would become less sensitive to the abrupt and detrimental fluctuations of the capitalist world and to a greater degree would be placed under the influence of the stable development of the socialist world. No one can argue that this does not correspond with the interests of our economy and people, for which reason it is a matter worth striving for.

Finland's favorable geographical position, the quantitative relations of the populations of Finland and the Soviet Union (Finland 4.7 million, Soviet Union 250 million), the rapid development of the Soviet economy, and the continuing improvement of the standard of living and consumer demands of the Soviet people offer Finland vast opportunities to increase commercial and other economic cooperation with its large neighbor. Taking into consideration the growing interests of other capitalist countries and their increasing competition in Soviet markets it is evident that bilateral trade and the system of payments based on it will continue to correspond with Finland's interests. This presupposes, however, that Finland will increase purchases from the Soviet Union if there is a desire to expand economic cooperation and increase exports. At that time it will primarily be a question of increasing the importing of machinery and equipment but in general of ready-made or semiprocessed industrial products. Increasing opportunities will be offered for this in proportion to the development of the Soviet economy.

There are great opportunities for industrial, scientific, and technical cooperation. It has a good start but opportunities for expansion are just as great. There is reason to establish great goals for the 15-year program of cooperation being developed, which will be ready for an exchange of signatures next spring. It is a unique document. The Soviet Union does not even have such an agreement with other socialist countries. Therefore, it should be understood that its compilation -- especially into a concrete form -- is not an easy matter, especially since it is a question of two countries with differing economic and social systems. This agreement and its possible concrete applications will mean a new step on the path of the development of economic cooperation between Finland and the Soviet Union. It will also mean that Finland's economy will be united with the socialist economic system in a significant manner, not only just with the capitalist system, which to date has been the primary direction of development and whose detrimental consequences are now being experienced in a manner more obvious than heretofore.

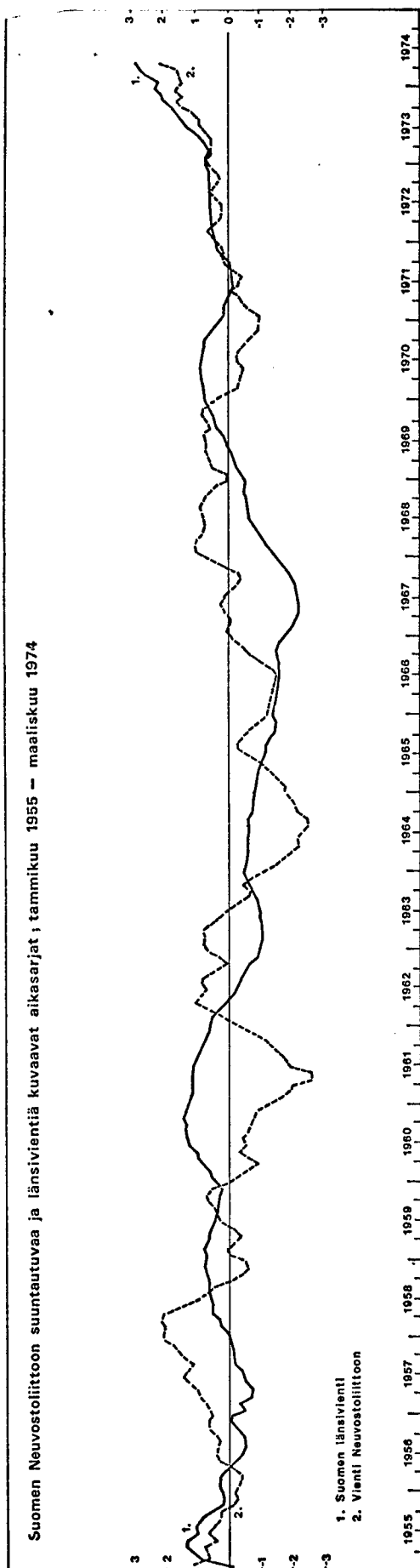
At this time there are better hopes for the fact that the large joint projects in Kostamus will be realized. If this happens, as is hoped, it will mean the opening up of new opportunities for accomplishing the third construction phases at Paajarvi and Svetogorsk. The execution of these projects, which have been under consideration for a long time already, will have an immensely positive effect on the weak employment picture in our country.

From the point of view of the development of our country's economic life and a healthier direction for Finland's foreign trade it would be imperative to implement certain significant democratic reforms so that opportunities for the state to have an essential influence on society would be increased. There is a need to establish a state controlled construction enterprise, a state foreign trade association, and a state investment bank within the framework of the different existing financial institutions of the state and in the final count to nationalize the commercial banks so that the state would have a monopoly on commercial bank activities. At the same time this activity should be developed in a more democratic direction. Thus investments, foreign trade, and construction exports could be directed in a manner in accordance with the interests of the people. But it is clear that such reforms require a change of direction in the country's economic and domestic policies. Only the workers' movement, primarily the forceful growth of the influence of the communist and people's democratic movement, can bring about such a change.

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# Time Series Depicting Finnish Exports to the West and the Soviet Union; January 1955 -- March 1974

Key:

1. Finnish exports to the West
2. Exports to the Soviet Union

## Graph

The graph on the side of the page shows error and trend corrected standardized time series depicting Finnish exports to the West, on the one hand, and Finnish exports directed toward the Soviet Union. The statistical procedures applied in the correction of times and trends are presented in Pekka Hemmila's research mentioned in the bibliography (TTT:n TUTKIMUSSELOSTEITA, No 1, 1974, pp 36-42).

As can be seen from the graph there are definite fluctuations in both of the time series. The fluctuations in exports to the West are more gentle than the fluctuations to the Soviet Union. As far as exports to the West are concerned together with the normal revolution of the economy one can observe a longer cycle extending over a period of approximately 10 years and reaching its summit in 1960 and 1970.

The fluctuations in exports to the Soviet Union are more irregular than in exports to the West. The length of the wave in their respect fluctuates from 1 year to 5 years. The level of exports was exceptionally low in the initial years of the skeleton agreement as well as at the end of the agreement.

From the graph it can also be observed that the time series of both exports in general fluctuated in opposite directions especially in the initial years of the study. The reasons for this type of development are examined in the article

itself. Beginning with 1971 the time series tend to parallel one another. This is a result of the fact that the original time series are series of values and the forceful increase in prices which took place in the 1970's can also be seen in the time series constructed by statistical means and presented in the graph.

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MARCHAIS' REPORT TO PCF CENTRAL COMMITTEE PUBLISHED

Paris L'HUMANITE in French 1 Apr 77 pp 6-8 LD

[Apparent text of Georges Marchais' 31 March report to PCF Central Committee: "Toward Democratic Change"]

[Excerpts] Dear Comrades,

The results of the municipal elections give rise to satisfaction and hope among millions and millions of working people and democrats. The battle for democratic change is now entering a decisive phase. It involves, for our party, the realization of important tasks.

These tasks must be laid down by the Central Committee on the basis of the 22d congress. Indeed, everything confirms the value of the analyses of the 22d congress and the orientations which we defined there.

One--The Significance of the Results of the Municipal Elections

The results of the municipal elections show a general decline in power of the right.

The erosion of electoral positions which we had already stressed a year ago, at the time of the cantonal elections, has been confirmed and amplified today.

The left is progressing everywhere, and to a considerable degree in some regions. It has won [control of] 56 major cities and hundreds of new municipalities.

Our party has its share in this progress. The 50 municipalities of over 30,000 inhabitants led by a communist were reelected in the first round by an increased majority. Union of the Left lists led by a communist have won 22 others, including Saint-Etienne, Reims, Beziers and Le Mans. From now on, 155 of the 587 cities of 9,000-30,000 inhabitants will have a communist mayor. This is also the case in over 1,400 other communes. At the same time, communist elected representatives are sitting for the first time on the municipal councils of thousands of localities.

Naturally, the government has tried to "explain" the poor results of the forces which support it essentially by the famous "division of the majority." According to the government, the French people have simply punished, by their votes, a bad tactic of the right.

#### Condemnation of Giscard's Policy, Progress of the Will for Change

In reality, the significance of this election is quite different. A growing number of voters have condemned the government's antisocial, anti-national and authoritarian policy; this despite the fact that a campaign lasting several months had attributed every possible virtue to the Barre plan. The rejection by millions of French people of the policy of austerity, sacrifice and privations therefore takes on great political significance.

Such results obviously show a real will for change. And they are all the more significant in that the candidates of the right pulled out all the stops. They pursued a virulently anticommunist campaign, promising--with abundant details--an apocalyptic future for any communes which took the risk of electing communist representatives. Several commentators have stressed that the successes achieved under such conditions reveal a weakening of the impact of the campaign against the "collectivist" scarecrow and of the crudest form of anticommunism. They observe that the ideas of our 22d congress have contributed to this.

Consequently, the results of these municipal elections show that the will to unite is growing in the country, as well as the idea of a clear and straightforward union, insuring a rightful place for each of its components. Indeed, each of our organizations has emerged from this election with an increased number of elected representatives and a wider audience. This fact constitutes a ratification by the masses of the people of the national agreement for Union of the Left parties signed in June 1976. It makes all the more regrettable the breaches in the union for which the Socialist Party [PS] has taken responsibility and which have either enabled the right to maintain its position or else prevented the election of union municipalities. This applies particularly in France's second city, Marseilles.

#### The Union: What Has Been Done

In reality, it must be recalled in this connection what we said when the joint program was signed. We drew the party's attention to the fact that the new conditions of the political battle would offer to the PS opportunities to reinforce itself to our detriment. At the same time, we asserted that this development was not inevitable provided that we "did what had to be done."

Well, we "did what had to be done."

We affirmed the original nature of our party and its irreplaceable role. We denounced without hesitation the government's antisocial and anti-national policy and showed the difficulties, the poverty experienced by millions of working families.

We have placed ourselves, under all circumstances and in all fields, at the head of the struggles of the working people, the masses of the people.

We proposed to our people, at the time of our 22d congress, a clear and innovative view, a socialism in the colors of France.

And we pursued at the same time with perseverance our efforts for the union, a straightforward and militant union around the joint program.

In this spirit, we proposed and concluded the agreement of 28 June 1976--presented, it will be remembered, as a "capitulation" on our part by certain journalists at the time.

In the same spirit we have fought to insure that it is implemented fully and completely. And, in view of the results achieved, everybody can now see that these results could have proved even better if a certain lack of firmness and determination had not occasionally been shown. We especially draw your attention to this shortcoming because the progress achieved cannot conceal all that remains to be done to consolidate the union. Efforts aimed at insuring that existence of a well-balanced left, in which the Communist Party would occupy its rightful place, must be pursued.

These are the main lessons drawn from these elections: censure of the Giscard policy and the Barre plan, desire for democratic change and more powerful support for the Union of the Left--these elections have reflected the progress achieved by the people's movement. As a result, better conditions for successfully pursuing its struggle have been created.

#### Two--The Struggle for Democratic Change

Does this mean that victory in 1978 is already assured? No! It would be useless to elaborate continually on the subject of "majority-minority." Rather than getting oversanguine about the successes achieved, let us concentrate on the question of battles which are still to be won and consider the efforts to be made! The government has in no way conceded victory.

Even though the margin for the big bourgeoisie's maneuvers has shrunk and even though the balance of political forces is not changing to its advantage, it will use all its resources and all the means at its disposal and it will look for new means to try to defeat the democratic forces, preserve its own power and pursue its policy.

This has recently been made clear by the fact that a plan has hastily been drawn by the right following the municipal elections, a plan presented by

Giscard d'Estaing last Monday. It appears that the forces of big capital will simultaneously take action in various spheres.

#### We Propose That Work Aimed at Bringing the Joint Program up to Date Actually Be Started

It is within this framework that the joint program should be brought up to date; naturally, we have emphasized on many occasions that this was necessary.

In fact, certain changes have taken place since 1972. In the social sphere, for instance, various objectives should obviously be redefined--either to determine new figures or to take into account the fact that certain problems, such as employment, are especially urgent. So far as the extension of the public sector is concerned, as we have said, changes which have taken place in certain sectors, such as the iron and steel, oil and automobile industries, must not be overlooked. We cannot passively watch operations which are taking place within groups which may be nationalized.

It would be useful to give more precise details on, and to add to, the issue of rights and freedoms, taking into account new problems and the new demands expressed during the struggles waged in recent years. This also applies to the issue of democracy in enterprises, which should be insured by giving real power to the workers and their representatives. Furthermore, all this applies to matters affecting communal life because, as a result, elected assemblies would be provided with the means to exercise the more extensive prerogatives granted them by the joint program, and dissemination of really pluralist and free information could be insured.

Changes have occurred in the sphere of international relations. The progress of detente and the fact that the Helsinki conference has been held have made new peace initiatives by a left government both necessary and possible--even though it is, naturally, necessary to insure the security of the national territory in accordance with the existing situation. These were some remarks of a general nature.

In order to be able to jointly govern the country tomorrow in accordance with its expectations, all this should be taken into account with a view to insuring that the joint program loses none of its importance and effectiveness. In a similar spirit, it seems useful to determine the methods to be used and a timetable for the implementation of the joint program, while remembering that energetic and speedy action will be indispensable to insure the greatest possible support on the part of the country.

During the past 18 months joint study groups, which were created by the liaison committee of the left, have already gathered useful material. We believe that if the left wants to fight the parliamentary elections under the best possible conditions the time has come for it to embark on a new

stage and directly and concretely tackle the work which I have just mentioned. We are especially in favor of this because, taking into account all the changes which have taken place, our party has worked hard with respect to these points by further analyzing problems in depth and formulating precise proposals.

Therefore we propose to the PS and the Left Radicals Movement that a summit meeting be held soon with a view to making a decision with respect to this work and determining how and when it is to be done.

So far as we are concerned, we are quite prepared to participate in such discussions, within a jointly determined framework adapted to every specific case, with any social and political organization which would wish to so participate, and to exchange with it information, views and proposals which could eventually lead to the adoption of joint attitudes.

#### Our People's Unprecedented Rally Around the Transforming Ideas of the Joint Program

In order to wage the struggle for change, it is also necessary to publicize and discuss the solutions advocated in the joint program and, especially, to make an effort to demonstrate the validity of the new economic and social policy which we have determined. To achieve this it is important to insure that the solutions to the country's major problems which we propose are carefully developed and explained. With this end in mind we propose that the Central Committee organize in the spring, in 20 or 30 cities, large-scale national debates on the policy France needs. Naturally, these debates are not to be held to the exclusion of any other initiatives which could be taken by party organizations.

Our aim is thus to gather together a growing number of French people around the great transforming ideas of the joint program, of which we are the most determined and consistent advocates. We have repeatedly stated that the aim of all our efforts is to initiate a broad people's movement in the country, a powerful majority movement sufficiently broad and determined to insure the victory of the democratic change needed by the country. This is and will remain our principle and our policy. In any case, the results of the municipal elections have again shown that the prerequisites for such a rally--a rally without historical precedent--do exist. Our analysis of this matter has definitely been correct and our concept of the union of the French people has been fully justified.

Having said this, even though the growth of the people's movement during the municipal elections has confirmed that opportunities in this sphere do exist, we should realize that we still have a long way to go. In fact, it is a question of tirelessly winning over to our cause day after day--through propaganda, action, dialog and various initiatives--many more men and women than we won over 13 and 20 March. And to achieve this and perform this task correctly we must fully realize what motivates us.

When we say that it is necessary to insure the existence of a people's movement whose strength would greatly exceed a simple electoral majority or, as they say, 51 percent, it is not only because such a movement will be necessary to implement the large-scale transformations advocated in the joint program and to insure respect for the French people's democratic choice. It is also because this is consistent with our profound political beliefs. We told our 22d congress: We do not believe that France is divided into two sections whose interests are completely opposed. Beyond diversity of social strata, political bodies and schools of thought, the decisive dividing line runs between the caste which controls the economy and the state on the one hand and, on the other, the huge mass of those who work to make a living, serve the country and have now fallen victim to the policy of the private monopolies. As far as we are concerned, we want to be instrumental in insuring that all these people unite, take their own cause in hand and wage a joint struggle with a view to jointly insuring its triumph.

Our party is pleased that this broad people's movement which it initiated is growing. We have a decisive role to play to insure its progress far beyond the results already achieved.

#### First, Winning Over Additional Millions of Men and Women Workers

In order to achieve this, the entire party must make continual efforts with a view to gain the support of additional millions of men and women workers for the joint program. I do say: Additional millions, since there are now in France 17 million wage earners, including 10 million manual laborers. We can never state this too often: men and women workers, particularly men and women manual laborers, should constitute both the profound mass of and the driving force for the union of the French people for democratic change. For the communists, the task of winning over an increasingly large number of people to the transforming movement and insuring that they exercise in it the great responsibilities consistent with their position and their role in the nation's economic and social life must have absolute priority.

#### Five--The Irreplaceable Role of the PCF

One year ago our party held its 22d congress. Its importance can now be assessed even better than before. It would not be an exaggeration to say that, while basing itself on past achievements, the 22d congress initiated a new stage of the PCF's struggle.

#### First, 1 Year After the 22d Congress

Life has confirmed the congress' analysis of the present situation, of the crisis which is affecting our country and of the new opportunities offered for the struggle for change.

Life has confirmed the strategy and the line of action determined by the congress for the entire coming period. The belief that, both in the economic and in the political spheres, democracy constitutes the main ground of the class struggle, the struggle for socialism, has stimulated this strategy. We said during the 22d congress that "we have turned the debate about freedom and democracy into a great national debate whereas our left-ist critics have to show more discretion...." Is this not even more true now, comrades?

The ideas sown by the 22d congress are beginning to take root. But I do say: They are beginning.... Therefore we will pursue our efforts calmly and with determination with a view to making them known to an increasing number of the French people and winning for them the approval and support of an increasing number of French people. What is the most important matter in this respect?

In all our initiatives we have inseparably linked social progress with democracy, socialism with freedom and national independence with international solidarity.

Have we done this because one day we came to the conclusion that this would be expedient from the tactical viewpoint? No, it would be sufficient to follow the work of analysis and thinking which we have done in recent years to realize that this insistence on our part has been a result of the requirements of modern reality, of the facts now prevailing in a country like ours with respect to the class struggle. It has been a result of taking into account the realities of our nation and our times and the desires of our workers and our people as a whole. And, finally, it has been a result of a thorough study of lessons drawn from the past and worldwide experience.

It is on this basis that we have occasionally had to assess critically some aspect of life in existing socialist countries. What has prompted us to do this? Have we suddenly decided to overlook the historical contribution made by these countries, their peoples and their communist parties? No, this contribution has been of considerable importance--it has changed the face of the world, weakened the old system of exploitation and oppression and, as a result, created more favorable conditions for the workers' struggles, our struggle. The economic and social successes of these countries have been indisputable. And we are in profound solidarity with the peoples and the communist parties which, even though faced with imperialism's unrelenting hostility, are busy developing the potentialities of socialist society in all spheres. Obviously, however, such solidarity does not preclude independence of judgment. Exactly because the socialist ideal is our common good, we express our views completely independently and are fully conscious of our national and international responsibilities when we state that some specific act is prejudicial to this ideal. Does this attitude, which was clearly determined by the 22d congress, constitute some new departure? Yes, because we have profited from experience gained

both in this sphere and in other spheres; we have drawn conclusions from a past which has made it necessary for us to continually keep our eyes wide open. This has in no way weakened our desire to preserve the fraternal relations which we have established with other communist parties, but in a form consistent with the stage reached by our movement. This is the way we see things and this is what we will continue to do.

Yes, we are following the correct path. We are pursuing a correct policy and our party is in extremely good shape. Our party is not only completely united around the policy determined by the 22d congress but has also shown exceptional drive, dynamism and enthusiasm while implementing this policy.

#### Second, the Party in the Present Great Political Struggle

What is needed to insure further progress and more effectively serve the workers and our people in the great political struggle which is now beginning?

The Communist Party should be recognized increasingly clearly for what it in fact is--the party of the workers, the party of the common man, the party of those who work, suffer and hope, the party of those who want to put an end to poverty, want, injustice and exploitation.

All the reasons why the Communist Party plays an irreplaceable role are, in fact, based on the following reason: no other party is a party for the workers to the same extent as the Communist Party is. With reference to this, it is necessary to continue to treat the question of the party's organization and activities in enterprises as a matter of the greatest importance. What has already been achieved in this sphere shows that we have every reason to be ambitious, provided that the necessary work of persuasion with respect to the role of the party in enterprises is pursued energetically.

At the same time, the party must always remain a people's party, heedful of the needs and desires of the masses, with even closer ties between itself and them with respect to various aspects of their life, in their place of work, cities and districts--a party always accessible, ready to engage in dialog, accept criticism and listen to suggestions.

It is especially in this spirit that our elected representatives will work. Their number has greatly increased. The electorate has entrusted them with new responsibilities. Under these conditions they will have to--and must--play a role even more important than in the past to insure that the communists' sense of responsibility, devotion to public interest and competence is appreciated in their work and daily behavior.

For instance, in order to carry out this work we can take advantage of experience already gained, especially during the implementation of the

social contract. However, as I emphasized a few days ago, it should be realized that as a result of the recent elections we have been confronted with new requirements. New problems have arisen.

With a view to finding all the necessary answers to these problems and insuring that our elected representatives find themselves in the best possible position to assume their task successfully, we propose that a national meeting of elected communist representatives be held 4-5 June.

The fact that the party has a solid basis and an effective stimulus--its internal life based on democratic centralism--will help it perform its tasks in a creative, inventive and responsible manner. The effectiveness of democratic centralism has again become apparent during the electoral contest--in fact, the Communist Party had no difficulty in implementing the 28 June national agreement at all levels, nor did it have to solve any internal problem in this sphere. Democrats have had the opportunity to ascertain the truth of what we have already said: democratic centralism, the very functioning of the Communist Party, provides for the people's masses the guarantee that the communists' deeds will always be consistent with their statements, the guarantee that the Communist Party will always keep its promises.

Furthermore, a larger party, a powerful mass party is needed. Many new members have been enrolled during the recent period. Efforts in this direction should be pursued and increased. Opportunities exist for a considerable increase in party membership. They should boldly be taken advantage of by overcoming some erroneous concepts about this matter which still exist in certain places and by fully realizing that the concept of a vanguard party in no way clashes with that of a mass party.

And, finally, every communist, all our organizations at all levels and our entire party should be fully aware of the growing responsibilities with which they are now being entrusted by French men and women.

In short, a stronger, more influential and more active Communist Party is needed to defend the cause of the workers now and insure its triumph tomorrow, to defeat the big bourgeoisie now and prevent it tomorrow from calling in question our people's democratic options.

Third, a National Party Conference in Mid-October

Dear comrades, this Central Committee session which has "toward democratic change" on its agenda is of very great political importance. It enables us to determine our tasks for the coming months while relying on the concepts adopted by the 22d congress.

In order to insure that, when the decisive moment arrives, the parliamentary election battle is fought under the best possible conditions, the Politburo proposes that the Central Committee decide to convene a national party conference for mid-October.

SHIFT TO LEFT, NATION'S FUTURE EXAMINED

Hamburg DIE ZEIT in German 1 Apr 77 p 3

[Article by Theo Sommer: "The Bitter Heritage of General de Gaulle--The Swing Toward the Left; Can Barre Stop the Popular Front?"]

[Text] President Giscard reshuffles his cabinet and announces an action program.--Where are the French really headed? Some French would like to turn their back on Protestant Europe, Weber's work ethic and the Washington-Bonn axis and turn toward the world of the Mediterranean, savoir vivre, the revolutionary delirium of the south. Others deplore the fact that France has so little that is Anglo-Saxon, that it has fallen victim to counterreform, the "Romanic malaise."

Paris, March--Valery Giscard d'Estaing did not feel comfortable in General de Gaulle's old office. He moved next door, to a sun-drenched corner room of the Elysee Palace with a view on two sides into the old park. It gives the impression of an exceptionally cozy drawing room, hardly of a center for pulling the levers of power. The guards posted before the portal, the lackeys in the antechambers, the two black Labrador retrievers dozing lazily on the carpet all confirm the impression that this is the residency of a republican monarch, a ruler--not a governor.

Behind the trees, behind the high wall of the park lies Paris, noisy, demanding, intractable--a kind of alien enemy territory since last week, when Jacques Chirac, the leader of the Gaullists and Giscard's strongest rival on the right, made his entry into City Hall as the first mayor the city has had since the days of the Commune. On the other side of Paris, however, behind the city's skyscrapers and endless expanses of rental buildings, lies the other France--even more remote from the liberal aristocrat of the Elysee and more hostile to him, the part of the country which in one election after another votes more resolutely for the Socialist-Communist Union of the Left, a combination which gathered 52 percent of the vote in the first round of the most recent municipal elections.

One year before the new elections to the National Assembly, the president of the republic is faced with nothing but painful questions. Is France turning red? Will he soon be dealing with a prime minister of the left? Will he then--forced to subject himself to the alliance between Socialist leader Mitterrand and Communist chief Marchais--be a president merely permitted to open the occasional chrysanthemum show but politically a "lame duck" until the end of his 7-year term in 1981? May the alliance of the left even drive him to abdication? Or will he involve himself in a constitutional conflict?

#### Encrusted Structures Remain

Giscard has been president of the French Republic since 1974. He is an intelligent politician, though some charge that he does not have the particular kind of intelligence a practical politician needs. His little book "Democratie francaise"--in part a profession of his convictions, in part voluntary philosophical homework a la Ernst Albrecht, in part a political program--was a bestseller for a while but then soon began to bore the French. What is the use of analyses, however beautiful, if they do not lead to anything in actual political life? "To govern and to write are two different things," LE MONDE remarked severely. Even the pro-Giscard FIGARO warned: "The nature of the French demands that the sovereign can be taken seriously." Some think that Giscard does not care for work, that even when he gregariously mixes with the people he is intolerably aristocratic, that he is anemic, a man who pleads but does not act: "His technique of government is not on the same level as his thinking."

Now, of course, the French have a wicked tongue, particularly the Parisians. They like to gossip and speak ill of people. There is malicious talk about Mitterrand possessing a Petain Order which people could get only if they agreed to it, and concerning Marchais there is a rumor of an 18-month gap in his curriculum vitae after the end of the war--when he was trained at a Soviet KGB school. About Giscard, they say that he visits a psychiatrist several times a week, and there is constant gossiping about his family life. But even critically disposed observers sweep such rumors aside, saying: "Giscard's opponents are merely trying to show that he cannot even cope with his personal problems, let alone his country's problems. But that is not the root of his weakness."

The root of Giscard's weakness lies elsewhere: he lacks the majority to translate his intentions into action. His party is in a minority within the majority. Besides, it hardly exists as an organization, but merely as a loose association of mediocre notables. "His instincts are all right, but he is too weak to make them prevail"--that analysis by a respected liberal journalist is meant politically, not personally. Thus, so far, the president's reforms have remained patchwork, limited almost entirely to modernization of the moral laws of the state, to abortion, divorce, lowering of the voting age. (The young voters repaid him for this by

joining the leftists' camp in droves.) So far, there has been no reform of the encrusted structures. Here the president is suspended helplessly between the devil and the deep blue sea--between the Gaullist hue and the Socialist-Communist cry.

It is not much different in foreign and security policy. The relationship with Washington is no longer saddled with placatory anti-Americanism. Slender threads of practical cooperation--for instance, in naval exercises--have again been woven with NATO. Giscard's France is a loyal partner in the Europe of the Nine. But basically Gaullism still triumphs--though it is now a damped Gaullism. This has become most apparent in defense policy.

There, a year ago, the president wanted to make sweeping changes. He wanted to restore the balance between the neglected conventional forces and the specially fostered atomic knights, but primarily he was out to put an end to France's de facto policy of neutrality under the mantle of continuing membership in NATO. He and his chief of the general staff, Mery, publicly dissociated themselves from the old concept that, as a "sanctuary," France could calmly await developments in the event of war, until the enemy had overrun the German glacis and was standing on the Rhine, and then still bring its atomic weapons into play. They again used the term "solidarity"; they once more displayed an interest in participating in the "bataille d'avant" [forward battle], the battle for Germany; they detached themselves from the two main Gaullist principles--defense in all directions (not only against the East) and "all or nothing" (total nuclear strike or sitting still). A Gaullist uproar, however, put a sudden end to all this, and nothing has been heard about it since. And what about agreements, right now, with the Allies regarding defense--for example, about guidelines for the employment of French atomic weapons, particularly tactical ones, or about the use of the Pipeline systems which, after all, still exist on French soil? Giscard argues that these are technical questions--but for political reasons, to this day, he has not given the technical answers to them. France continues to be closer to neutrality than to the alliance.

This is but one example of many why Giscard had to back down because of his weak position in party politics. An example, incidentally, also of the way the right and the left work hand in hand when it is a question of nipping reasonable new approaches of the center in the bud. Giscard tries to dissociate himself from de Gaulle, full of reverence and caution--and right away it is not only the Gaullists who rebel, but the Socialists and Communists also take over the banner with the double-bar cross of Lorraine. A professor of the Sorbonne comments: "The left is for compromise, and in France, you see, compromise always boils down to Gaullism."

If Giscard is in straits today, this may be traced partly to Jacques Chirac and partly to the general public shift to the left. The first impulse, the initial strategy of the president, probably boiled down to

retaining the Gaullists' support through Prime Minister Chirac. "He plain betrayed the president," says one of Giscard's closest comrades-in-arms. Why? "He sought to force early new elections in order to prevent further attrition of the government camp. He would not see that new elections then would have come at unfavorable moment. The economic portents were not yet particularly favorable." The Giscard adviser adds bitterly: "Chirac simply paralyzed the president in his second year."

"The bulldozer" is what the French call the 45-year-old Chirac, with some expressing themselves more crudely. A brilliant student of the ENA [National Administrative College], occasionally suspected of procommunist sympathies (having signed the Stockholm peace appeal in 1950), then a lieutenant in Algeria, interpreter with the general staff in Germany, in Berlin, again chasseur in Algeria, wounded, decorated, staunch adherent of the idea of an *Algerie francaise* [French Algeria], member of the Audit Office, Pompidou collaborator, deputy in Correze, minister of agriculture, prime minister--a steep career. A career he did not think was finished when he was thrown out of the Matignon.

Since that time, Chirac has shown himself a man of action. He seeks confrontation with the left. This, he thinks, is the only way of gaining a chance against the Popular Front. And he is the rock on which Giscard is supposed to founder. Originally, he had begun reforming the Gaullists for Giscard; now he is reforming them against Giscard. At the airy height of the Montparnasse Tower, the capital in all its disfigured grandeur at his feet, he drafted his strategy with his secretary general, Monod: "One must clearly identify the opponent. One must become concrete. One must conquer Paris as a bastion for 1978...." It is from this bastion that he now wants to push forward his saps.

Giscard, too, at the beginning could have chosen a different strategy--not to rely on the Gaullists but to set his sights on trying to detach the Socialists from their embrace with the Communists and thus to organize his own majority in the center. At first this probably was his long-range program. But when after the break with Chirac he wanted to raise it to the level of an immediate objective, it was too late; the alliance of the left by then was indissoluble. "The most reasonable thing to do would be to reach an understanding with the Socialists," wrote LE FIGARO--"but how can one water a horse if it does not want to drink?" Now the president has only this choice: to destroy Chirac but nevertheless gain the support of his adherents, or to make up with his rival and henceforth make common cause with the Gaullists against the Popular Front. For a war on two fronts, he is too weak.

#### Chirac--a Symbol for What Is Reactionary

Jacques Chirac may, however, have miscalculated. He has become a symbol for much that is reactionary in France ("our Franz Josef Strauss," in the words of the chief editor of a magazine). The middle classes think that

he is making too much noise. Nor does the countryside approve his steam-roller tactics, as was shown by the municipal election results. At one time, support for the president was the sole *raison d'être* of the Gaullists, but the revolt against Giscard is pulling the rug from under the feet of this state of affairs, once taken for granted. And this revolt has stumped, even repelled, many staunch conservatives.

On the other hand, the left is advancing continually. This is to be attributed largely to the hustle and bustle of Francois Mitterrand. Having founded the Socialist Party in 1971, he has achieved a vote of about 30 percent for it; he forged the alliance with the Communists and then reduced the PCF vote to about 18 percent. Having failed to win the presidential elections of 1974 by only 1.4 percent, he has now raised the Popular Front to about 52 percent. If one applies the average increase for the left at the most recent elections, a triumph for Mitterrand in the spring of 1978 would be a certainty. There are a number of uncertainties, however.

First, the Communists themselves are doubtful partners at best. Their leader, Marchais, makes a somber impression and arouses little personal support. The party's conversion to Eurocommunism came late--only at the end of 1975 and the beginning of 1976--in the wake of developments in Italy, and it remained incomplete. The French Communists have said goodbye to the concept of the dictatorship of the proletariat; of late, they have also supported the dissidents in the Eastern bloc; they criticize Moscow. Basically, however, they are Gaullocommunists rather than Eurocommunists. They bear a closer resemblance to the Romanians than to the Italians: while arguing with the Kremlin, they are neither European nor liberal. They advocate an anticapitalist economic system. Support for Europe? No. Support for NATO? Nothing doing. De-Stalinization of the party? No; they continue to use the old training materials for the training of cadres. They have de-Russianized themselves, but not really de-Stalinized themselves. Instead of a historical compromise with the bourgeois camp, they have, according to Richard Loewenthal, only managed a hysterical compromise with the Gaullists. Their conversion smacks of insincerity.

Secondly, insincerity is also at home in Mitterrand's own party. The leadership is split between the real feelings of party supporters--social democratic rather than socialist, as shown by many polls--and a class struggle type of poor-against-rich rhetoric which it needs as a platform for the election alliance with the Communists. The membership is also split. Two-thirds are social democrats of the FRG type and one-third (in Paris as many as one-half) leftwing stamokapists, who have joined in the Ceres Group and are striving not only for evolutionary changes within society but for a revolutionary change of society. "Some 30 to 40 percent of the Socialists," says a social science professor, "are either disciples or slaves of communism."

And Mitterrand himself? He distrusts the Communists. He needs them to come to power, but he probably also needs Giscard to help the United States and France's European partners get over a victory of the Popular Front. The Communists distrust him as well, always and everywhere. Marchais makes no secret of this. He wonders whether the Socialist leader is perhaps only waiting for the right moment to take the jump into the bourgeois camp. He wonders whether his main aim is not primarily to expand the strength of the Socialist Party within the leftist alliance at the cost of the Communists. Moreover, the common program has left many things undefined, and there are constant arguments about them. Thus there are many explosive combinations within the Union of the Left.

Thirdly, however, it is not certain by any means that the leftist wave will swell further. A countermovement might develop. France's basic mood remains conservative. It is one thing to vote for the left in order to lend expression to a protest about the prevailing state of affairs; it is another thing altogether to vote for the left if this could actually bring about a victory of the Popular Front. Moreover, the present election law works to the disadvantage of the opposition: it needs 52 percent of the vote in order to gain a majority of the seats, while the government coalition needs only 48 percent. And finally, the strongest and most impressive man acting on the Paris stage today, Prime Minister Raymond Barre, could turn things around with his policy of stabilization. If the economics professor--as firm as he is agile, one might say--manages to reduce the rate of inflation to 8 percent, if he reduces the trade deficit even further, if he is at least partially successful in fighting unemployment, if he closes the budget gap further, then everything would look quite different late this year.

#### Machiavellian Thoughts

But what happens if he does not? What happens if Giscard's power wanes further, Chirac's spark does not ignite, Barre's cranking-up effort bogs down? In Paris, which loves Florentine machinations and Machiavellian schemes of thought, the puzzling over the answer to this question is the most popular party game at present. "Scenarios" are imagined.

Scenario 1: The present majority coheres and wins again. Accordingly, several things might happen by 1981: Chirac might build himself up as an opposing candidate; a successful Raymond Barre might stake his claim to the Elysee; the Socialists, blaming the Communists for the defeat, might split from the Communists and, in a new movement of the center, help Giscard to victory.

Scenario 2: The left wins by a narrow margin. Giscard stays in office and gives the Popular Front enough rope to get tangled. After an inevitable economic crisis, caused by nationalizations and flight of capital, Giscard dissolves the National Assembly and schedules new elections. The left is discredited, and Giscard wins.

Scenario 3: The left wins by a handsome margin. Giscard departs voluntarily: he does not want to sign laws springing from the spirit of the Popular Front program, which he thinks bodes the fall of France. The result: presidential elections. Or he holds out and appoints a prime minister other than Mitterrand, who is toppled in the National Assembly. The result: a lasting constitutional crisis as well as an economic crisis. In advanced presidential elections, Chirac or Barre emerge as saviors from behind the scene--or Mitterrand moves into the Elysee, the majority for president and in the National Assembly are the same, France turns red, or at least pink.

Similar thoughts must be going through the head of the president of the French Republic as he looks down into the old park trees from his corner room. He ponders them at a time when the French with the doggedness of foundlings are searching for their origin and their destiny. Gaullists like Pierre Dabiez want to turn their back on Protestant Europe, Weber's work ethic and the Washington-Bonn axis and turn toward the world of the Mediterranean, savoir vivre, the revolutionary delirium of the south. Gaullists like Alain Peyrefitte, author of "Le Mal Francais" [The French Sickness], on the other hand, deplore the fact that France has so little that is Anglo-Saxon and has fallen victim to counterreformation, the "Romanic malaise," the wavering between anarchy and revolution. Where do the French really want to go?

Many people are pondering this question--Giscard in the corner room of the Elysee, Chirac in City Hall, Mitterrand at Socialist Party headquarters, Barre in the Matignon. There is not one among them who ought not to worry about what Albert Schweitzer has said: "There is no relying on the French.... If you take them in a body, they are like wine in a bad barrel: even if it has been pressed from good grapes, it grows sour in the end."

8790

CSO: 3103

## FRANCE

### PCF-PSF WEAK POINT SEEN IN NATIONALIZATION PROGRAM

Hamburg DER SPIEGEL in German 11 Apr 77 pp 137-138

[Text] The nationalization program of the French communists and socialists is being revealed as the "Achilles heel" of the popular front.

The stock exchange reacted by declining: In the first week after the electoral success of the French popular front in the communal voting, share values in Paris fell by an average of 10 percent.

Socialist leader Francois Mitterand calculated in figures the fear of the capitalists of the communists and socialists assuming power: 4 billion French francs lie in accounts in Switzerland. We have not even counted what other countries with strong currencies have raked in."

The "extroordinary bad exchange development," complained Philippe Thomas, general director of the Pechiney Ugine Kuhlmann aluminum concern, is the necessary result of the "fundamental anxiety" over the probable electoral victory of the left next year. Thomas must know: His company is one of a total of nine key enterprises\* which a popular front government wants to take under state control first after the parliamentary elections in March of next year.

In the first 3 months after the parliamentary elections next March, according to Francois Mitterand's plans, his government will introduce the required laws for nationalization and thus fulfill the heart's desire of the left of all hues.

Along with the nine industrial giants, which include also the Roussel-Uclaf pharmaceutical company controlled by the German Hoechst, the partners in the alliance want to take over 650 private credit institutes in addition. They are striving for majority participation in all the larger firms in the steel industry and among the oil companies.

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\*ITT-France (communications systems), Dassault (aircraft), Thomson Brandt (electronics), Honeywell-Bull (computers), Saint-Gobain-Pont-a-Mousson (glass and heavy industry), Compagnie Generale d'Electricite (electric power), Roussel-Uclaf (drugs), Rhone-Poulenc (chemicals), Pechiney Ugine Kuhlmann (aluminum).

These ambitious plans could nevertheless become dangerous both for their authors and their defenders. Already 1 year before the election the concept of nationalization has lead to the first disputes between the popular front comrades.

Precisely this economic order used to have friends in France who were above suspicion. Charles de Gaulle and his successors in the first years after World War II nationalized, among other things, gas and electric power plants, the Renault automobile enterprise, coal mines and large banks. At present about 14 percent of French wage and salary-earners work in state-controlled enterprises.

Jean-Pierre Fourcade, minister for construction, is worried that the further plans of the left "will in the end destroy the economic mechanism of the country."

In no state in the world, "in which the most important means of production have been placed under state control" chief of state Valery Giscard d'Estaing had warned before him, "does political freedom as we understand it" still exist.

In a television address the chief of state called upon the French not to give their votes to the left parties in the parliamentary elections "which will decide the future of France not for a few months, but for much longer": "I don't want you to say some months later ...we didn't know, we weren't warned"--by then France will have "irrevocably decided."

The nationalization program of the popular front would place 25 percent of wage earners in industry, 50 percent of industrial investments, and 45 percent of foreign trade turnover under state control. For the CP, nevertheless, even this nationalization list, approved in 1972, is too short. Its leader Georges Marchais has publicly demanded the immediate takeover of the oil companies and the Peugeot-Citroen automobile concern as well.

The communist trade union CGT also put the steel industry down on its nationalization wish card. But socialist chief Mitterand, who still does not know how the enterprises controlled by foreigners can be taken over, rejected almost all the demands of his coalition partners: "We can't load the wagon any more."

In the negotiations on a common program in 1972 Mitterand had instructed his negotiators "to fight like soldiers in the front line," to be ready "to let themselves be killed" rather than to give up socialist territory, as one of the negotiators, Mitterand-intimate Pierre Mauroy remembers.

The communists "presented pages and pages of nationalization demands to us" (Mauroy). In the end the socialists accepted the nine industry groups "so that the communists might be ready to make concessions, such as on the force de frappe and the Europe questions."

For the "first stage" Mitterand did not want to "demand too much of the voters." For the socialist leader, who on sentimental grounds still owns three shares of the Kuhlmann aluminum concern from an inheritance from his father, "knows too well that the majority of the shareholders are small shareholders," who possibly out of fear for their capital--as before in parliamentary elections--might vote for the conservatives.

"Whoever it might be," promised Mitterand already in October 1976 in a discussion with 450 entrepreneurs, no Frenchman will suffer a loss of capital. Even more: the market economy system will be retained.

After the takeover of the nine industry groups, the shares of the affected companies will, in the concept of the socialists, be treated thereafter as securities of a new type on the stock exchange--with a decisive difference, however: the shareholders lose their right to vote, but receive a guaranteed dividend.

For the communists on the other hand, this plan of the socialists is "the opposite of nationalization," as Georges Marchais complained. Instead of this, his party wants to satisfy the shareholders with bonds which would be amortized in 20 years.

In contrast to Mitterand, Marchais does not want to compensate such industrial families as Dassault (aircraft), De Wendel (steel), and Rothschild (finance) until it has been proven how many state subsidies their enterprises have received and "what they have shoved across the border, and of what violations of the national interest they are guilty otherwise."

The socialists, accused CP official Charles Fiterman, want nothing more than "to continue to make the big shareholders the privileged beneficiaries of the efforts of the workers of France"--a criticism which reveals that the nationalization program is really the "Achilles heel" (LE FIGARO) of the popular front.

Chief of state Giscard d'Estaing and Premier Raymond Barre will not be able to exploit this weak point to loosen the leftist alliance. "Without doubt," the FINANCIAL TIMES sums up, "the socialists are caught in the nationalization program."

a <b>ALLE NEUNE</b>			
b Französische Firmen, deren Verstaatlichung die Volksfront fordert			
e Umsatz 1975 in Milliarden Mark	c Gewinn 1975 in Millionen Mark	d Beschäftigte 1975	
1 12,37	70,14	143 294	
SAINT-GOBAIN-PONT-A-MOUSSON (Glas, Maschinenbau, Verpackung)			
2 10,95	92,99	102 700	
PECHINEY UGINE KUHLMANN (Aluminium, Chemie, Kupfer)			
3 10,45	46 450	115 783	
RHONE-POULENC (Chemie, Kunstfasern)			
4 10,17	82,41	131 000	
COMPAGNIE GENERALE D'ELECTRICITE (Stromerzeuger)			
5 7,34	76,69	89 548	
THOMSON-BRANDT (Elektronik, Fernsehen, elektrische Geräte)			
6 2,99	f keine Angaben	32 424	
ITT-France (Fernmeldesysteme)			
7 2,49	60,90	15 450	
DASSAULT (Flugzeugbau)			
8 1,79	29,98	15 000	
ROUSSEL-UCLAF (Pharmazie)			
9 1,59	56,04	14 992	
HONEYWELL BULL (Computer)			

Key:

- ALL NINE
  - French Firms Whose Nationalization Is Demanded by the Popular Front
  - 1975 profit in millions of DM
  - Employees in 1975
  - Turnover in 1975 in billions of DM
  - No data
- Saint-Gobain-Pont-a-Mousson (glass, machinery, packaging)
  - Pechiney Ugine Kuhlmann (aluminum, chemicals, copper)
  - Rhone-Poulenc (chemicals, synthetic fibers)
  - Compagnie Generale d'Electricite (electric power producer)
  - Thomson-Brandt (electronics, television, electrical devices)
  - ITT-France (communications systems) No Data
  - Dassault (aircraft construction)
  - Roussel-Uclaf (pharmaceuticals)
  - Honeywell Bull (computers)

6108

CSO: 3103

PSF HOPES TO LIMIT DISCUSSION OF JOINT PROGRAM

Paris LE MONDE in French 2 Apr 77 pp 1,6

[Article by Thierry Pfister]

[Text] On Friday 1 April, after releasing the list of his secretaries of state at 1800 hours, Raymond Barre was scheduled to explain and comment on the role and makeup of his new cabinet at 2000 hours on TV Network 1.

For his part, and considering the changes made, Mitterand feels that the chief of state's political philosophy needs to be made more explicit.

On the left, the proposal for a "summit meeting" by the signatories to the common program, which Georges Marchais suggested on Thursday 31 March, will be considered on Wednesday 6 April by the national leadership of the PSF [French Socialist Party] and the Left Radical Movement [MRG].

While the Socialists and Left Radicals are not raising any objections to the principle of a "summit meeting," the PSF leaders feel that the liaison committee set up between the leftist parties should have met first. They also insist that the discussions must be limited to an "updating" of the common program.

With the exception of their joint participation in a meeting held in Paris on 18 March, Fabre, Marchais, and Mitterand have not met together since 28 June 1976, when they adopted the principle of joint candidates for the municipal elections. The proposal for a "summit meeting" by the leaders of the union of the left, which Georges Marchais presented to his party's Central Committee on Thursday 31 March, was immediately approved by the Left Radicals. Robert Fabre, chairman of the MRG, recalls that he had made a similar suggestion even before the municipal elections were held. According to Robert Fabre, the talks could deal "with all the topics of an economic, social,

and political nature." His opinion is not shared by all of the MRG's leaders. Some of them are proving to have doubts about the timeliness of such a meeting.

On the socialist side, spokesmen prefer to emphasize that the proposals by Marchais are aimed only at "updating" the common program. For months the PSF has been choosing to make its own proposals, notably in the economic area. In particular, it has turned its attention to the businessmen in an attempt to convince them of the Socialist Party's ability to run the country. It has also sought to reassure them, not only by specifying the procedures for indemnifying the stockholders of the firms scheduled for nationalization, but also by reaffirming, through Michel Rocard, the regulating role played by the market. On this last point, however, opposing opinions have been expressed within the PSF.

Those initiatives on the part of the Socialist Party are part of a tactic that was worked out in April 1976 during a brainstorming seminar held by the National Secretariat of the PSF. Francois Mitterand summed up the spirit of that seminar when he said at the time that it was best to "reassure without watering down." In practice, the Socialists have sought to show off their originality because they are convinced that from now on, it is the progress of the PSF as such which will make it possible for the union of the left as a whole to advance.

It is no doubt out of a concern to restore balance to that union and to prevent the PSF from continuing to go it alone that Georges Marchais has asked for a return to a joint approach. Backed by the results of the municipal elections, which demonstrated in particular that in most cases a list headed by a Communist did not compromise the advance of the left, the PCF's secretary general is now seeking to appear simultaneously as the most faithful architect of the union of that same left and as the most solid supporter of the demands of the wage earners. For that matter, it is not by chance that he is proposing to bring into the discussions "those social and political organizations that are willing."

On the political level, the PCF has in fact clearly stated its support for the establishment of a fourth component--Gaullist--in the union of the left. But the Gaullists in the opposition do not want to take their place within the union without first being able to discuss the common program.

On the social level, the PCF knows it can rely on the CGT as an ally of consequence, especially when it starts to demand new nationalizations. The Communists are hoping, in fact, that the left will provide such a measure for petroleum, iron and steel, and the automotive industry. The Socialists are still not convinced. Their Executive Bureau, for example, recalled on Wednesday 30 March that as provided in the common program, the government authority is strengthening its control over the holding companies and operating companies in iron and steel.

It suggests that the debts owed the state by those companies be funded in capital and managed by a state agency that would combine the following holding companies: Denain-Northeast-Longwy; the Lorraine Industrial and Financial Company; and Wendel and Schneider Marine, Incorporated.

In fact, the PSF wants to avoid two pitfalls. In the first place, it does not want to appear to be outdistanced as far as its partner's proposals are concerned and find itself accused of dragging its feet at making the "break with capitalism," which it has included in its own program. In the second place, it does not want to be dragged into a renewed general discussion of the common program. It is true that in this area, the proposals by Georges Marchais are in accordance with the process agreed upon jointly by the leftist parties. The three topics being proposed by the PCF's secretary general (the economy, foreign policy, and freedoms) correspond to the three working groups set up between the Communists, Socialists, and Left Radicals just after the presidential election of 1974. Those three groups have already worked out documents that have not yet been submitted to the leadership bodies of the leftist parties. But the fact remains that that framework remains loose enough for a resurgence of fundamental debates. More especially, for example, since voices are being raised within the Socialist Party itself to say that the left should not limit itself simply to "updating" its common program, but instead should study it thoroughly. And the CERES [Center for Socialist Studies, Research, and Education] is asking that the still-unresolved problem of Europe be settled.

As was emphasized on Friday 1 April by Guy Gennesseaux, member of the National Secretariat of the MRG, the danger exists that through the process of "updating," the equilibrium that has now been achieved between the three components of the left "may be disturbed to the benefit of one or the other of the partners." But he added, "That is a danger that must be faced if we are not to cause the left to lose its credibility, since the left cannot go before the voters with a program that will be 5 years old in June, the month that also--theoretically--will mark the end of the legislative term for which the program was written."

The suggestion by Georges Marchais to specify "the conditions and timetable for applying the common program" is also of a nature to lead the negotiators beyond a simple "updating." However, the leaders of the PSF are not hostile to the notion of a timetable. They themselves had laid the foundations for that sort of schedule during the "brainstorming seminar" they held in April 1976. On that occasion they had called for applying the common program in three stages. But here again, they are hoping to learn what their Communist partners are aiming at.

That is why, rather than undertaking the work suggested by a "summit meeting," the leaders of the PSF lean toward a meeting by the left's liaison committee. That body, whose members are Fiterman (PCF), Beregovoy (PSF), and Loncle (MRG), would define very precisely the framework of the discussions. The texts already prepared by the working groups would be examined by the political

leaders of the three parties. In the minds of the leaders of the PSF, the "summit meeting" would, in a sense, conclude the negotiation rather than initiate it.

For their part, the Communists are not passively awaiting the preparation of the renovated common program. They are already announcing a real propaganda campaign. Two topics will be advanced: the employment policy and the value of the common program for overcoming the current difficulties. A series of national debates will be organized in about 30 cities. In June, the elected Communist representatives will gather for a national meeting. Lastly, the Political Bureau has proposed calling a "national conference" of the party to be held in October.

11798

CSO: 3100

FRANCE

APPEAL MADE FOR REFORM OF PCF'S 'DEMOCRATIC CENTRALISM'

Paris LE MONDE in French 2 Apr 77 p 7

[Text] To mark the publication by the Social Publishing House of the book "The Communists and the State," written by Fabre, Hincker, and Seve (LE MONDE, 31 March), the Union of Communist Students sponsored a debate with the authors on Wednesday 30 March at the Mutualite Auditorium. Louis Althusser took that opportunity to issue a stronger demand than ever for a reform of the operating rules for "democratic centralism" within the PCF. The communist philosopher, who had opposed his party's abandonment of the concept of the "dictatorship of the proletariat," is shifting the thrust of his pressure.

He is thus preparing for the upcoming settlement of accounts in connection with the PCF's evolution. Lucien Seve, member of the Central Committee and director of the Social Publishing House, indicated in his response to Althusser that the question of the statutes is "open" and will be on the agenda at the next congress.

The PCF leadership is showing great determination to prove its respect for pluralism outside the party by allowing more and more discussion within the party. The personal conduct of the leaders has even been modified as a result. As one example, Marchais was seen exchanging a few words with Roger Garaudy at a concert on 19 March. Garaudy was eliminated from the PCF's leadership organizations in February 1970 and subsequently left the party. The time for excommunications seems to be over.

The "Debate on 'The Communists and the State,'" sponsored by the Union of Communist Students at the Mutualite Auditorium, was preceded by a press conference at which Lucien Seve stressed that the book he coauthored "constitutes an exploratory work," that it "is not an official text by the PCF leadership," and that it has not received the party imprimatur.

On the problem of the dictatorship of the proletariat, Lucien Seve noted: "The 22d congress abandoned the strategy of the dictatorship of the proletariat. The concept, on the other hand, continues and will continue to live its life as [passage missing] it will no longer correspond to anything."

The first participant, a young man, expressed surprise at the late publication of the book and felt that it should have appeared 6 months before the PCF Congress. He explained that PCF members have lacked the facts on which to base a decision concerning abandonment of the reference to the dictatorship of the proletariat. He also complained that the book from the Social Publishing House dealt only with "the Stalinist travesty of the dictatorship of the proletariat," and he protested the idea that the PCF should direct its struggle only against a small minority of agents of the monopolies. He observed, "The power of a class is not exercised through one caste alone."

Seve answered on two levels. First, he stressed that a concept must not be confused with a strategy, since a change in strategy can only be based on a political decision by the party and not on theory. Second, he emphasized that, without limiting oneself to the Stalinist period, the notion of the dictatorship of the proletariat must not be divorced from "the fact that it remains a dictatorship"--in other words, "a limitation of the freedoms enjoyed by the class adversary."

One greatly awaited moment in the evening was when Louis Althusser took the floor. The philosopher responded first to Seve, who had said, quoting references, that abandonment of the dictatorship of the proletariat had been discussed prior to the 22d PCF Congress. Althusser emphasized, "One cannot confuse bibliographical preparation and organizational preparation. The topic was not on the agenda at the congress. Marchais recalled that the Communists have an interest in telling the truth. Well, I defy anyone to prove that there was any preparation for the decision by the 22d congress concerning abandonment of the dictatorship of the proletariat."

"Perhaps someday we will know why that was done. We eventually found out that the PCF delegation to the 20th CPSU Congress had in fact read Khrushchev's secret report."

The philosopher then acknowledged that from the time of the Popular Front to the 22d congress, including the PCF's experience in government following Liberation, the Communist Party followed a democratic procedure. But he added, "The PCF was also thoroughly Stalinist. It even outdid the Soviet ideologists. The PCF has also had its Stalinist trials. Marty was excluded for political reasons, and perhaps it was just, but the party denounced him for 'police' activities. It disgraced him.<sup>1</sup> Stalinism was not exclusive to the Soviet

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1. A veteran of the Black Sea mutiny of April 1919, Andre Marty was accused in September 1952 of "factionalism," "duplicity," and "police" activities. He was immediately removed from the PCF Secretariat, of which he had been a member since 1931, and he was excluded from the PCF in January 1953. Andre Marty died in November 1956.

Union; it affected all the parties of the Third International. Its effects are durable and still affect the manner in which Marxist theory is interpreted, as well as certain internal practices.

"Democratic centralism is a very flexible reality, but today it seems to be external to all history. Lenin belonged to definite groups; he lived in a party that experienced factional struggles. The formulas in the book 'The Communists and the State' that are devoted to democratic centralism seem too simple and purely rhetorical. Thank God that contradictions exist within the party. They are what gives it life.

"The democratization of democratic centralism is a real question that is being posed now. It is no longer possible, at a time when the party's secretary general wants a lively congress, that the forms of organization should lead to another 22d congress without any discussion. It is well to consider the democratization of the party."

In his response, Francois Hincker, coauthor of the book and editor of the magazine LA NOUVELLE CRITIQUE, emphasized that as early as 1953 the PCF had engaged in self-criticism concerning the divisions it had developed earlier between bourgeois art and proletarian art and between bourgeois science and proletarian science. He noted, "It was a contradictory period."

For his part, Lucien Seve expressed surprise at the trend which seemed to be developing and which consisted of remembering only the 6 pages at the end dealing with democratic centralism. Having entered the PCF Central Committee in 1961, he could testify that the difference between the discussions taking place now in that assembly and what went on in the early 1960's was the difference between "night and day." Responding more specifically to Althusser, the director of the Social Publishing House said that one cannot exclude the possibility that a new question might arise in the course of preparations for the congress, and he said he viewed that as a sign of the reality of preliminary discussion. He added:

"Democracy within the party is going deeper, but in the same spirit, centralism must follow the same dialectical movement. Groups are the death of democracy and the death of real discussion. We have only to refer to the texts by Rocard when he was national secretary of the PSU [Unified Socialist Party], by Edmond Maire last year, and even by Mitterand, who drew the conclusion from the municipal elections that it was time to tighten the screws in his party.

"The question of the party statutes has been raised for our next congress. It is an open question; yes, it is a matter for thought."

The debate was prolonged notably by a challenge to the leadership of the Union of Communist Students, which was accused of having tried to prevent a debate on communists and the state that was sponsored by the philosophy

section at the Sorbonne with Althusser's participation (see LE MONDE, 23 February). The UEC [Union of Communist Students] Congress was also described as being "a high mass without any real debate."

11798

CSO: 3100

FRANCE

GAULLIST 'CONFIDENCE CRISIS' NOTED

Paris LE MONDE in French 1 Apr 77 pp 1, 8

[Article by Andre Passeron: "Confidence Crisis With the Gaullists"]

[Text] A discussion without a real debate, days of study which did not study anything--the RPR parliamentarians seemed to have come to Baux-de-Provence essentially to await there the composition of the government and the speech which Jacques Chirac gave before them Thursday morning. From this declaration of claims they were hoping for, at the same time, reasons to continue fighting and the determination of their future behavior in the majority and towards the President of the Republic.

In his speech, the president of the RPR endeavored to restore hope. He appeared particularly critical of the majority in enumerating the errors which it had committed in the preparation of the municipal elections, and implicitly reproached the President of the Republic for his politics of reforms, affirming that the country "is tired of a certain manner of speaking of reforms."

Promising the fidelity of the RPR to the new cabinet of Mr Barre, he nevertheless called to mind that the Gaullist MPs would be vigilant and that they would be assured that the governmental policy effectively took account of their point of view. He also emphasized that it would be dangerous "to want to separate governmental action from political action."

The claims stipulated on Wednesday have especially revealed the anxiety which the Gaullist MPs feel at the approach of the 1978 legislative elections. They debited their allies of the majority and the policy defined by the President of the Republic with the responsibility of their defeat in the municipal elections, following that of the 1976 cantonal elections. They even reproach themselves for having given too much support to the government policy.

This time, Giscard d'Estaing was implicated by name, not only--but in a respectful way--by the "tenors," like Maurice Couve de Murville and Michel Debre, but also--and in a more irreverent manner--by the MPs "on the bottom," like Jean Falala and Hector Rolland. Proclaiming that they will refuse to

give the government a "blank check" for its future program, they have further hardened their attitude on the question of the election of the European Parliament by direct universal suffrage. They cannot be content with a simple verbal guarantee and even think that discussion of this project should be rejected.

Certain people see, moreover, a "provocation" in this text. This hostility with regard to projects to which Giscard d'Estaing is very attached (just as he said to Chirac) grows worse with the reproach of the increased "presidentialization" of the regime. All that causes a serious uncertainty to weigh on the issue of the vote of confidence which will be requested in Parliament by the prime minister. The orators at Baux-de-Provence were, in any case, dedicated to rendering this threat credible.

Reactions sometimes ironic, sometimes disappointed, but always harsh greeted the publication of the list of members of Mr Barre's government on Wednesday afternoon while the policy of the resigning cabinet had just been explicitly criticized. All the Gaullists are delighted, moreover, by the removal of Messrs Poniatoski and Lecanuet while asking themselves, nevertheless, if they will not be more troublesome on the outside than on the inside, and doubting that the influence of Poniatoski on Giscard d'Estaing could really diminish.

Edgar Faure, in the manner of Mme Angot, hummed: "It wasn't worth the trouble, assuredly, to change the government," while Mr Chaban-Delmas asserted: "It is won for 1978...for the opposition." Thursday morning the former prime minister denied that he had this purpose and declared: "I will judge this government, it is barely a resuscitation chamber."

Mr Bignon (Somme) concluded: "Vote for that in 15 days? The hell I will!..." Even the nomination of Mr Peyrefitte was not deemed to be compensation, everyone recalling that the academician does not play a political role in the RPR, even if he is still part of the "Gaullist family." That same morning Michel Debre had hoped for a government of "public well-being."

Indeed, it is a veritable confidence crisis which the formation of the new government provoked in the RPR. The skepticism which was explicitly expressed was accompanied by the strengthened conviction that well-being, for the Gaullists, could be expected only from themselves, and firstly from the action of Mr Chirac.

In the course of his conversation with Giscard d'Estaing on Monday, the president of the RPR had been able to talk to the Chief of State about the resolution of his friends--and his own--to maintain a roster of responsible elements autonomous of the majority. If he was said to be ready to subscribe to an "electoral pact" of the type which he had defined during his Parisian campaign, Chirac refused, however, to engage the RPR in a "joint program of the majority." Although the President of the Republic was able to assure his host that he hoped to meet with him frequently in order to avoid

misunderstandings, and that no important decision would be made without the RPR being a party to it, the Gaullist MPs remain circumspect.

They will fear the majority's inclination towards rebalancing and the transformation of the electoral system. Likewise, concerning the European projects, Giscard d'Estaing can no longer ignore the fact now that they cannot be satisfied by verbal appeasements. Jacques Chirac, himself, believed that these projects did not figure in the government program.

From his interview with the prime minister, the president of the RPR, on the other hand, got the impression that the head of the government remains firm in his intentions, whatever the parliamentary consequences may be. He also had the feeling that Mr Barre is more concerned with financial technique than with stimulation of the economy and with the fight against unemployment.

The Gaullists, who never feel more united than in the face of adversity, closed their ranks in the course of these days of parliamentary studies. A symbol of this was offered by the luncheon on Wednesday which reunited all the former prime ministers around Chirac (including Chaban-Delmas), as well as Edgar Faure, president of the National Assembly. On this occasion it was a question of strategy, and no divergence of viewpoint was manifested.

8965

CSO: 3100

FRANCE

PSF-PCF FRICTION IN MARSEILLES DETAILED

Paris LE MONDE in French 31 Mar 77 p 9

[Text] Georges Lazzarino, deputy and secretary of the communist federation of Bouches-du-Rhone, refused, on Tuesday 29 March, the proposal of the mayor of Marseilles, Gaston Defferre (PS), to have elected communists participate in the future municipal bureau and to occupy deputy positions there.

Lazzarino states, in an open letter to Gaston Defferre, that "the political conditions for such participation are not present" and adds: "Your refusal to apply to Marseilles the national accord concluded by the parties of the left on 28 June 1976 has made the formation of a coalition municipality impossible."

The communist deputy reproaches Gaston Defferre notably with having brandished the "threat of a municipality with a communist leaning with the goal of obtaining votes from the right to outdistance the slates of the union of the left where the communists had been presented."

Lazzarino adds: "The recollection of these facts indeed shows that the proposal to give us some deputy positions has no other objective than to make us forget the refusal to apply the national accord and the desire to weaken our party by recourse to practices which were believed to no longer exist between partners of the left. We would not know how to answer for this anti-unitarian attitude which is all the more abnormal as a profound desire for unity and change is expressed in the country. The workers and the democrats of Marseilles would not understand it. Besides, what kind of union could it be when you have obstinately refused all discussion on Marseilles before the municipal elections and have decided alone on the program?"

8965

CSO: 3100

FRANCE

# FORMER MINISTER MESSMER PROPOSES VOLUNTEER ARMY

Paris LE MONDE in French 23 Apr 77 p 11

[Text] "There is no longer any need for a system of military service which, politically speaking, by reason of the inequality that it brings about, is both open to criticism and criticized," according to a statement made on 21 April by RPF National Assembly Deputy Pierre Messmer, former minister of the armed forces under De Gaulle, when speaking to the National Assembly's committee on defense matters. Messmer went over the main points of the new [defense] organization that he suggests be created:

--The elimination of obligatory military service but not of military service per se; service in the nation's military forces would cease to be an obligation but would remain a right, for in a democracy the citizen should always retain the right to serve in his country's armed forces.

--An appeal for volunteers who will complete a term of service of 18 months to 2 years, for two reasons: first, such a period of service will compensate for the smaller number of enlistees and, second, it will provide the best cost-efficiency relationship.

--The creation of specially earmarked jobs within the national, departmental and communal government employment sectors, and even in certain public enterprise sectors (such as the merchant marine and national railroads, for example). Such jobs could be partially, or even entirely, reserved insofar as the uniformed personnel are concerned (i.e., police, customs officers, firemen, etc.).

--The possibility of having young women volunteer to serve in the armed forces.

Messmer emphasized that these suggestions did not aim at establishing a professional army but are based on voluntary enlistment.

CSO: 3100

FRANCE

INTERVIEW WITH ALAIN PEYREFITTE REPORTED

Paris LE POINT in French 13 Dec 76 pp 177-201

[Alain Peyrefitte Interviewed by Georges Suffert: "Alain Peyrefitte: The Demons Smothering France"]

[Text] These days Alain Peyrefitte is publishing the book he has been writing for 8 years and which he has been thinking out for 30. The title: "Le Mal Francais." Those 525 pages are going to cause torrents of ink to flow. For a good reason: In my view "Le Mal Francais" is the most important book to have been written on our country since the war. Very simply because it puts a finger right on the nature of the cancer which for some centuries has been eating away at this country.

Everything has been said, lampooned, or sung about that eternal subject: France. But not what Peyrefitte reveals: That our survival as a nation and as a civilizing area depends less on our political emotions than on our ability to weigh the structural defects of which we have the gall to be proud, which we must call our demons if we want them to go away and leave us. "Le Mal Francais" gives us the key to our spurious civil wars, to our hidden decline, to our spectacular and evanescent recoveries, and to our enduring gloominess. A book which in a flash lights up that vale of shadows: French collective unawareness.

[Question] You refused to be minister of foreign affairs?

[Answer] That is not the subject of this conversation.

[Question] True or false?

[Answer] I cannot quite deny it since people in authority have said so.

[Question] It is quite something for a diplomat to be seated behind Vergennes' desk.

[Answer] Yes. It's even a lot.

[Question] Gossipmongers alleged you turned down that offer because you wanted to get into the French Academy.

[Answer] You believed them?

[Question] It seemed strange to me. Now I have read your book I think I understand why you refused to be a minister. It is the only really leftist book in the true sense of the term that has appeared in this country for some years.

[Answer] Left, Right... Does that really mean anything?

[Question] Exactly. It doesn't mean much in the sense these words now have. But if the Left is fundamental trust in the species' ability to surpass itself, founded on the creativity of every man, then your book is one that belongs to the intellectual tradition of the Left...

[Answer] I would like not to be pigeonholed either on the Right or on the Left. It was quite simply to be an independent man, a free spirit, that I have withdrawn from active politics since 1974. And it was in order to speak bluntly that I preferred not to assume any public office.

Peyrfitte writes standing up. That is rather unusual. But he actually does have predecessors: Hugo, Tolstoy, Paul Morand, for example. The tiny little room in which he received me, the one in which he drafted his book on China and the book on France, resembles a student's "study-bedroom," of course. Books cover the walls, the backs of chairs, the floors; between two cliffs of papers there is that little shelf just high enough to lean on that De Gaulle's and Pompidou's former minister writes for hours at night. Is he a politician, is he an intellectual? An idiotic question.

I remember the general roaring: "But what am I then, Domenach, if not also an intellectual?"

[Question] When did you start thinking France was culturally sick?

[Answer] I really don't know. Very young, I believe. The day when looking at the map of our northern and eastern borders, I asked my father why the Maginot Line didn't stretch right to the sea. He replied that he had no idea but that the general staff knew what it was doing. And in my childish soul for a second there flashed something akin to doubt: "And what if the general staff didn't think of it?" Another moment I recall is that of the free-for-alls between the king's Camelots and the strong young men of the Popular Front. They pitched into each other in June 1936 in the name of gods who to me seemed all the more absolute because they were enigmatic. I was wretched as children of an unhappy marriage are. I did not understand

the reasons for those passionate feelings. And I had a feeling that one had to go far beyond words if one wanted to penetrate the mystery.

[Question] Then after that there was the war, then the defeat.

[Answer] We are about the same age. We lived through the defeat as children; the occupation and liberation as adolescents. The shock was dreadful for our generation...

[Question] We will never get over it.

[Answer] Or on the contrary France has since recovered thanks to the shock ... But I remember someone who shook me intellectually. It must have been in 1950. I was in Germany and I often met Ernst Robert Curtius. He had been the friend of Gide and of Martin du Gard. He was a remarkable scholar who looked at France as one in love half in despair makes out the face of the woman he loves. One evening he became very angry: "You are the ones responsible for the war! Hitler, we were unable to prevent him from coming to power; he was the product of unemployment and inflation. And we were incapable of overthrowing him. But when he wanted to occupy the Rhineland, the entire general staff was against him, even Goring, Neurath were against him. Not one of the fellows in his entourage imagined you would remain with your arms folded. Had a few thousand Frenchmen stood up to our dictator's wooden soldiers, he would have crossed back over the Rhine. Now, a humiliated dictator is discredited. Germany would have thrown Hitler out. And the war would not have taken place." A humiliated dictator is discredited: With the lapse of time I think of the Greek colonels swept away by the failure of Cyprus. Perhaps my old German friend was right.

[Question] You know very well that we didn't make a move because England was against it.

[Answer] That was my reply to Curtius. And he yelled even more loudly: "That is just what I reproach you for. You have to have someone else's blessing. Yesterday, that of England. Today, that of the United States. Will you ever be capable of being yourselves? "

[Question] In short, before diagnosing the existence of a French ailment, it could almost be said that France was causing you pain.

[Answer] It was the French problem that obsessed me. I will add a fourth event which led me to write this book: the De Gaulle event. Impossible to live at his side without penetrating that universe which was essentially his: the wondering about France. What was gnawing at it? Through the strange defeat what struck it down within a few days? And what was the magic behind its resurrections? Look beneath the actions, beneath the speeches, beneath the General's whims. What will you find? Precisely that question. His idea of France, he knew very well that it was a beautiful dream, but that something deep down within itself was eating at it. He had

no idea at all of that demon's name. "The spirit of denial," he said one day. I believe that near the end of his life he had a presentiment as to the nature of that ailment. Malraux was mistaken when he thought that the 1969 referendum intended to decolonize the state was suicidal. I believe the exact opposite. De Gaulle wanted to succeed because he had the feeling that he had put his finger on the source of the ailment. But it was too late.

[Question] Let's get at that famous ailment. But before you define it, I would like you to tell me about the clay pit workers.

Peyrefitte smiled. It gave his head the look of a mischievous child which always makes me think of that of a bird of prey. He is a man who absorbs ideas, books, music with the voracity of hungry beasts and of men seeking God. It is not entirely by chance that the figure who obsesses him, the period to which he constantly returns, is Erasmus and the years immediately preceding the Reformation...

[Answer] I told the story of the clay pit workers in my book. Confess that you did not know about them before opening my book.

[Question] I admit it.

[Answer] No one knew them. Seven hundred men whom an administrative quirk had refused to classify among the miners although they always live underground and are subjected to silicosis and firedamp explosions. Seven hundred men who didn't dare ask for anything because they were outside of the vast hosts: those of the mines, of the administration, those of the big trade unions. In short, they were on the side of the road. Forgotten by laws. One day in 1958 they came to ask me simply for the right to have a pension at the age of 60. For those who didn't die earlier. I listened to them and I discovered them and I thought I was going to resolve their problems in a few days. I did everything, got everything moving as a deputy, then as a minister. When I failed 15 times, we referred the issue to De Gaulle who gave instructions because he was flabbergasted and scandalized. His instructions were not effectively implemented. The CGT [General Confederation of Labor] was in favor, De Gaulle was in favor, the ministers were in favor and Parliament also. But the CGT, plus De Gaulle, plus the ministers, Plus parliament were less powerful than the French administration.

[Question] That at least is clear. You don't feel like telling me a little about the supplying of water to the Paris area from the Montereau underground water sheet?

[Answer] I am quite willing to do so. Those are only two examples among many others...

[Question] I am aware of that. We are going to get at the crux of the problem in a minute. However, you didn't bring up those two extraordinary stories in your book for no reason. The story of the clay pit workers shows that small minorities have no means to defend themselves in this country; and that real power is not political or syndicalist but is administrative, and that in the center of that fortress, which is what the French administration is, there exists an impregnable donjon dominating in its disdain and its arrogance not only governments, not only historical heroes, but the entire collective adventure of a thousands years bearing the name of France. That donjon has a name: It is the Ministry of Finance. I was absolutely convinced of it. But you are the first one to spell it out clearly, to prove it, and if I remember correctly, you are a graduate of ENA [National School of Administration]. I am tempted to say you are in the process of spiritually rehabilitating that school.

[Answer] I leave you the responsibility for what you are saying there. But I am willing to say a few words about Montereau.

It is a simple tale. Paris uses a lot of water. The administration found a deep sheet of water a hundred kilometers from there near Montereau and wanted to undertake substantial work to pump it out. At the beginning I got involved in it because the mayors were in a panic. But not for a moment did I imagine then that the administration could have been in error. Now, as I gradually investigated as special rapporteur on the Seine et Marne Municipal Council, I went from one surprise to another. Not only would the realization of the project be costly, but the need for it was debatable. First because Parisians drink very little water from the tap in comparison with the torrents they use for hygienic and household purposes. Then because in 1975 everyone knew how to make pure water from polluted river water. That is called a filtration plant. Well, as I investigated, I discovered that the administration hadn't even made the appropriate technical investigation. I am not talking about the cost: two or three times the cost of the La Villette slaughterhouses; half the Rhine-Rhone linkage; or 500 kilometers of super-highways. We succeeded in blocking the project. But I learned that the administration was not always responsible and that its arrogance was not justified by a high degree of technical standards of which it claimed to be the watchdog. I was up against costly geniuses and compartmentalized authorities, hence incapable of making over-all decisions.

[Question] What is terrible about what you are saying is that the reader has the impression that the ailment is almost incurable. It goes back so far...

[Answer] To Rome. Have you already thought that it was Roman centralization which, if one may say so, determined the zero hour of Christianity? It was because the empire's administration had decided that there had to be a census of all citizens from the Holland to the Iraq of today on the very day that Jesus was born in Bethlehem. All of Rome resides in that. A single law, a single state, roads that are like arteries converging upon the heart, that is upon the city, urbs, etc. France was to be an exact copy of it located further to the west.

[Question] But Romanity in its day was the world. And all the countries of Romanity did not develop in the same way, all of them did not become hypercentralized societies. Charlemagne was an emperor. But Germany was to take a different road than France...

[Answer] I see two levels. First the emergence of what your friend Chaunu calls the full world: 40 inhabitants per square kilometer. But what he did not say perhaps was that to get beyond the minimal stage of modern civilization, we had to tear ourselves away from a rural economy with oxen, swing plow, thatch. Holland, England were going to manage that take-off at the beginning of the 17th Century. Louis XIV was not a sun. He was a king who with Colbert was to sterilize the most populated and the most industrious nation of Europe because he was to focus it upon Paris, give all power to the administration of finance, classify the French into two categories and only into two: The administrators who were subjects and those administered who were objects.

[Question] Why did the Europe of the 13th century, which was making such rapid strides, become divided at the beginning of the 17th Century: oppressive, conservative centralization on the side of the Latin countries; decentralization, the preindustrial beginnings on the side of the Anglo-Saxon and German countries?

[Answer] Look at the two Americas. Is South America potentially less rich than North America? Obviously the answer is no. Was the colonization of the south less effective at first glance than that of the north? There again the answer is no. On one side Spain and Portugal, that is, the most prestigious nations of the 16th and 17th centuries. On the other, England which was not yet the great nation it was to become. So all of the major trump cards were in the south's favor. And now look at the way things are. So I ask that people just leave us alone with their Marxist-climatic explanations. We have to find my old teacher Siegfried again. Peoples fall into place around deep-rooted structures whose origins are not always clear, structures which, if they are perspicacious and patient, they can alter as the centuries go by unless they devour them. The break came at the time of the Reformation...

[Question] Now you are being Weberian?

[Answer] Yes and no. Yes, in the sense that Max Weber understood better than Marx the importance of the religious phenomenon. Since Protestantism believes in predestination and in asceticism, man predestined by grace can enrich himself, money is not a curse. On the contrary: His success here below is proof that God has his eyes fixed on him. And he has no remorse with respect to money since he takes obligations upon himself in his moral conduct. Max Weber deduced from that that a Protestant would be industrious and economical. He found the roots of production and savings. I am simplifying; but it is to recall the essential point of his basic theses. What I challenge in Max Weber's thinking is his lack of daring. At bottom, he was

afraid of Marx. The latter already dominated the thinking of the period. He had laid down the primacy of economy. Max Weber tried to slip his formidable intuition into one of Marxism's secondary drawers. He sought to transmute his basic presentiment--a collective awareness and understanding of peoples does exist--into a subexplanation of Marxism: Protestantism would have favored the accumulation of capital. He lacked daring. For I go back to France. Even before the Reformation it lacked creative imagination. Why do we remain stuck at the figure of 40 inhabitants per square kilometer? Yet we were having children. But they died. They died because we had nothing to give them to eat. Because our form of agriculture, our distrust of the merchant and of the entrepreneur, our Catholic loathing of money, business, technology, handicapped us, prevented us from devising other modes of production. Then there were the plague, wars, famine which made it possible to wipe out our demographic surplus. Remember that until the end of the 18th century there was only one country in the world more populated than France, and that was China. We were more numerous than the Russians. We had all the cards: a large population, rich soil, access to the two principal seas. And we did nothing with them. While Holland, that huge beach, was winning against the sea, was making ships, conquering an empire, summoning all those politically persecuted and organizing the salvaging of brains. With them Holland became predominant starting from a tiny territorial base; and we began to go into a decline despite the splendors of Versailles. Centralization, administration, absence of intellectual tolerance, a mania for theorizing, a taste for ideological wars, distrust of entrepreneurs, suspicion with respect to money, all of this really added up to the equation: sectarian dogmatism + Roman centralization. The Counterreformation only served to consolidate our defects and remove our good qualities. As the revocation of the Edict of Nantes drove the French Protestants to Northern Europe where they founded a straggling village beside a river. This straggling village was to be named Berlin.

He spoke with a mixture of passion and humor. Fundamentally this subject upsets him deeply. But he allowed nothing to show. His book on China was a methodical investigation and essentially ambiguous. This time he was staking his intelligence--he has no lack of reserves--and also his fundamental obsession. To be a minister, as Michel Jobert used to say, is a fleeting moment. To answer one of the oldest questions France has always asked itself, is to slip discreetly beside de Tocqueville. Doubtless that was Peyrefitte's hidden ambition. Now, when intellectual ambition is linked to 30 years of thinking and a nearly carnal passion for its subject, then the walls crumble. I am gambling that "Le Mal Francais" will win and is capable of convulsing a country which is ready to hear to hear this truth about itself.

[Question] Who tried to change the direction of the stream?

[Answer] I am not speaking to you of Erasmus. At the height of his glory, the pope wanted to place a cardinal's hat upon his head. Ten years later

his spiritual heirs were burned in the public square. History then went too quickly, the scene moved more rapidly than does a train. We were in the midst of the Reformation and Counterreformation. But a little later there were to be a few personages just the same: Henry IV, that Protestant who chose to become Catholic so that civil peace might be restored. In 1599 he addressed the Paris parliament to convince it to record the Edict of Nantes which it was reluctant to do. I quote from memory: "Do not seek to convert the Huguenots by force. They must stay with us and be able to practice their religion. The kingdom's unity will exist through the diversity of those who make it up." You heard that? This was the first polycentric speech in French history. He was preaching in the wilderness. Let us pass over Boisguilbert, Vauban, Fenelon, the reformers of the time of Louis XIV. Let us pass over d'Argenson, Quesnay, Gournay and the reformers of the time of Louis XV. Let us pass over Turgot, Necker and the reformers of the time of Louis XVI. Let us get to the Girondists. They too were going to have a presentiment that the concentration on Paris, monarchical or revolutionary centralization was at the root of the ailment. The elected directoires engendered a shambles. The reaction was a centralization that was worse than under the Old Regime. The Gironde devised multiple power, a creative diversity. It died.

[Question] That's all?

[Answer] There was a third attempt. De Gaulle, I think, towards the end of his life. You know I have always had a few scruples in making use of the General's thinking. He reposes in Colombey with his daughter. I think there is something beyond death, I think we should leave him in peace. But at the same time I remember; and I have written: Every evening, after every conversation, practically word for word. Now, what did happen? For De Gaulle France existed if power existed. The state was first of all political power, then very far behind, the stewardship, that is, the administration. It would never have occurred to him that the Finance Department could dominate the general staff. Now, there were three dates that made an impression on him. The miners' strike of March 1963. For him it made no sense. The State had not done its job. But how was it that the administration had not noticed the problem, pointed out the injustice, played its part in sum? First question. The second was the 1965 balloting. If he did not campaign before the first round, it was because he was the State. Now, the French told him they did not like their state. Where did the fault lie? Finally, there was 1968. And the 24 May speech. Do you remember? The referendum proposal. For the first time De Gaulle did not speak of a state but of a society. His thinking had shifted. He guessed the nature of the "French ailment." And oddly, 1968 which was a classic convulsion of our eternal sickness (submission-revolt; hate help-hatred of the State; a passion for political theory-a total lack of political pragmatism, etc.), did not understand De Gaulle's appeal. So a week later he took up his old trumpet again: state authority. And once again France woke up to the sound of the bugle. But the significant speech was that of 24 May. Because on that day the last of the Caesars, the most liberal Caesar the world has ever

known, had understood that the time of the Caesars was past, that democracy was to be invented and that this challenge--since the word is in style--could only be accepted if we had a real revolution.

[Question] The liquidation of the "monocentric" system.

[Answer] That's right. The courage of no longer wanting to be a people that was assisted, that is, of accepting competition at all levels; a taste for diversity linked with a love for a certain power won by work and effort. In short, the rediscovery of a set of values and of a series of attitudes rather remote from our traditional attitudes and which are still ours today. The end of the false egalitarian passion which under the socialistic talk conceals the practice of fiscal fraud and of system D. One could say a lot about it, a lot more than I have said, about the hidden privileges of a certain body of civil servants, but why blame them? It is the system which is to blame.

[Question] That was not in the book...

[Answer] It is a book which contains the beginning of 20 others. I will perhaps write one or two of them, but I really hope that some unknowns will write the others. The French must themselves become aware of the narrow bands encircling them or else we will die of listlessness, of resignation and of successive and imbecilic revolts. I would like to go back to 1940. Who will tell the truth? Oh, the historian Marc Bloch asked the key question in "L'Etrange Defaite." But today we know. We were not underequipped in comparison with Germany. We had as many tanks, as many planes. We cracked because of lack of organization, of self-complacency, of prejudices. Because the French were tired, oblivious, out of touch with the times. You know the 19th century invented the idea of world weariness. No one ever knew whether it was a matter of Elvire's melancholy or of a venereal disease. The two interpretations coexist. But where the "French ailment" is concerned, see how overwhelming the facts are! Between the 12th and the 17th century, this country had available a greater number of trump cards than any nation had succeeded in bringing together since Rome. It played them badly. Because the constant idea of all its governments, whether of the Left or Right, was as Bernanos used to say: "The people must be left in school." So we didn't reach adulthood.

[Question] Is that still possible?

[Answer] I think so. We are less like peasants and more like merchants. We are beginning to jabber in other languages and we hop across borders, we are learning to know geography; despite the slump, unemployment, we remain imperturbably the country which works the hardest in Europe. As though something wanted to live. But we have to become aware of the nature of the ailment.

[Question] The Rue de Rivoli [Ministry of Finance] is like the Bastille.  
Who will take it by storm?

[Answer] There, you see: Right away you reason in terms of revolution.  
You are afflicted with the French ailment. That is not the way to set about  
it. It is necessary and it is enough that the French see themselves as they  
are. In psychotherapy getting well begins with the truth cure.

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FRANCE

ARON, PEYREFITTE DISCUSS FUTURE OF FRANCE, EUROPE

Paris LE POINT in French 4 Apr 77 pp 151-174

[Debate between Raymon Aron, professor at the College de France, and Alain Peyrefitte, Cabinet minister, member of the Academie Francaise, with Georges Suffert as moderator]

[Text] For once, it is not a mere formality. The debate one is about to read gets down to the heart of the matter. How can French society evolve? What is the nature of the malady afflicting it? Is it a specific virus or an epidemic from which all Western societies are suffering? Are there any remedies? What are they?

Facing one another in an attempt to answer these questions are two men: Raymon Aron, professor at the College de France, philosopher, economist, journalist, and on occasion, pamphleteer. His latest book, "Plaidoyer pour une Europe Decadente" [Argument for the Defense of a Decadent Europe] is now on the list of required reading if one wants to understand anything at all about the times and is even a best seller. Opposite him is Alain Peyrefitte, member of the Academie Francaise, diplomat, minister eight times (he will now become keeper of the seals in the new Barre Cabinet), a deputy reelected for nearly 20 years, general council member, mayor, and author of "Le Mal Francais" [The French Malady], which is enjoying great success.

[Aron] Our dialog today will be that of two politically committed writers. I did not wish to hold it until the success of "Le Mal Francais" was assured and until you had been elected to the Academie Francaise, for which I congratulate you. Therefore, there could be no ulterior motives or areas of sensitivity....

(The tone was thus set. When Aron takes such precautions, it is because he is preparing a barrage! Facing him, Peyrefitte does not flinch.)

Essentially, I would make three basic objections to "Le Mal Francais." The first is that the book is anachronistic and excessive. It resembles the works that everyone was writing after 1870 concerning the superiority of the Anglo-Saxons. People were talking about French decadence, illustrated by the defeat of the 70's. On the whole, the arguments were the same ones you are developing today: administrative centralization, rejection of reform, the superiority of Anglo-Saxon dogma. This is one of the permanent elements of the French manias: self-criticism. Now then, what strikes me is that this self-criticism concerning economic decadence and the social weakness of France comes after a quarter century that has witnessed the most rapid transformation French society has ever known. Between us, if French society is blocked, I wonder where we would be if it were not.

[Suffert] I believe, Mr Peyrefitte, that you would prefer to reply all at once?

[Peyrefitte] That would be simpler. For the time being, I shall listen to the prosecutor.

[Aron] Therefore the prosecutor will continue. The second objection is that the book seems to me to be ambiguous as far as its basic theme is concerned, and that as a result, it tends to telescope centuries. The historical idea serving as a background is the divergence of the two Europes. This idea was developed in the course of the critique of the Weberian theses. You have taken it up almost exactly as one finds it in the articles of Herbert Luthy, professor at the University of Zurich. It has a grain of truth. Nevertheless, it seems to me to be simplistic to reduce everything to the break between the 16th and 17th centuries. Afterwards came the 18th century, the Europe of the Light, which is partially French, the upheavals of the 19th century, and so on. I agree that Protestantism played a role. But capitalism cannot be reduced to an ethic. We now know that it exists based on all kinds of different beliefs. Do you truly believe that the economic success of Japan is linked to the reform and counterreform? On the contrary, it proves to us that close cooperation between the state and big enterprises in a nation preserving its traditional religion can be as effective as the unleashed capitalism of the Anglo-Saxon type. In short, you simplify things and you mix them up.

My third objection -- and it is the most serious one -- is that in the final analysis, your book is "hegagonal" [too narrowly French]. Basically, that is the gap separating your book and mine. For you, the "French malady" is specific and traditional: administrative centralization, hierarchy, Ministry of Finance.

We know about all of that and I admit all of that. But I would reproach you for having read only half of Tocqueville. You have taken in one big lump everything in Tocqueville that describes administrative centralization, the error of the French Revolution that put freedom at the top and not at the base, the distinction between politics and administration. That distinction between administration and politics seems to me to be a golden key that is inapplicable today.

For me, there is one evil in all of Western society and it is much more formidable than your "French malady." The core of the problem is that the only productive economy remains the free economy. However, the democratic logic -- that is, poorly understood egalitarianism -- risks destroying a free economy. That is the real problem and you do not deal with it.

You report your dialog with Pompidou. You say -- I quote from memory -- that Pompidou exclaimed: "You are obsessed by the English model at a time when it is going to go bankrupt." Well, I think that it was Pompidou who was right and not you. England is not just Eton, Oxford and Cambridge. It is a nation which, like us, has a taste for research and a scorn for technical application and it is above all a country which rejects the battle, which rejects competition, which no longer wants to fight. Why? It is summed up in the half of Tocqueville which you have forgotten: In the long run, democratic pressure risks leading to tutelary despotism. Something which blocks everything, which disarms the citizens, does away with ambition, boldness, the determination to be different, to do better or more. Bureaucracy is not in it for nothing. It is democracy which is at stake and the West into the bargain. Everything which made its grandeur, everything which has made it a matrix of the world as we know it.

[Peyrefitte] Now that is a proper attack! I cannot tell you how happy I am about it! To date, the book has not been seriously contested.

However, the reproaches you make seem to me to be addressed rather to the summaries, which are necessarily schematic, than to the book itself, which responds in advance, and in detail, to all of your objections.

Your first objection: My book is anachronistic and excessive. Anachronistic? I believe that its originality lies in showing that the critique of bureaucratic centralism made by Jean de Witt, as early as the 1660's, by Fenelon, Boiguilbert and Vauban in the 1690's, and so many others before Tocqueville, has more value today than ever before. You do not believe in the persistence of habits and ways of thinking. You are wrong. They are constant.

After the barbarian invasions which caused the Roman Empire to collapse, after the Norman invasions under which the Carolingian Empire fell, the feudal system was indispensable in order to replace the authority of the state. It ensured minimum order thanks to a caste of soldiers to which the peasants were linked by a personal contract. It rendered an immense service. But a thousand years later, in the 18th century, it had lost all its *raison d'être*, even though it still persisted in many forms, which had become anachronistic. Centralism under Philippe le Bel or Richelieu was necessary in order to build France, in order to ward off the danger of a breakup.

Today, while political centralism (national sovereignty, the laws) remains necessary, administrative centralism becomes increasingly intolerable. It irritates France and is undermining the state. But it subsists. It is what is anachronistic, not I.

Second objection: The book is ambiguous and telescopes the centuries. You accuse me of simplifying and of mixing things up. Could I not return the compliment? My book tries to show that if the West began to diverge beginning in the 17th century, it was not only, as Max Weber asserted, for theological or ethical reasons, or, as Luthy suggests, because of the counter-reform, but because of a combination of the two, which caused an exodus and a sterilization in the counterreformed countries -- that is, monocentrists, an afflux and fertilization in the reformed countries, or polycentrists, where every person had the chance to affirm or undertake. Frozen societies, like France, became economically and demographically Malthusian. The mobile societies took off. The book shows, by analyzing the case of Japan at length, that the latter was able, while preserving its religious and cultural values, to appropriate the methods of polycentrism and find its own path to the industrial market economy. It wants us to do the same, without denying our basic values: to have a sufficient understanding of the benefits of political, economic and social polycentrism and discover our own path.

Your third objection: My analysis is "hexagonal." For you, that is not the problem; rather, there is a "Western malady," the excess of egalitarian democracy, much more serious than the French affliction. Note that I accept 90 percent of what you say in your "argument," which is, after all, quite evident. But the maladies may multiply. Today, there are three crises superposed. One is worldwide and stems from the 30 years of accelerated changes that have had the globe in upheavals, the entire globe, including the United States as well as the Soviet Union or Uganda. The mutation has gone too quickly. Children are no longer following the same line as their parents. There is a generation gap the likes of which history has never seen.

Then there is the Western crisis which Shumpeter analyzed already 50 years ago when he said that capitalism would easily overcome its contradictions but would run up against a bad conscience, a moral collapse from within.

Our analyses agree on these two crises, but in addition, for us in particular, there is the French crisis. Being French, I find it useful to pay heed to our French specificity.

[Aron] I should like to be more clear. I believe that it is dangerous to write in 1977 "the French malady," because that is not what risks carrying us away. You show a windmill and you say it is a giant. It is a joke. We are not threatened by the administration. It annoys us and that is all!

[Peyrefitte] If you received average French people every week to hear them out, you would not speak in that fashion. Those that I call the "smacked ones" are in the majority, believe me.

[Aron] What irritates me in your book is what I call masochism. When you say that the defeat of 1940 could have been avoided, I explode. Did you want a country with 40 million inhabitants to agree to lose a million men

in order to stand fast before the enormous Hitlerian Germany? That we begin again what happened in '14? It would have been insane. Allow someone who was in London by 1940 to say something abominable: It was the rapidity of our defeat that saved France demographically.

[Peyrefitte] I do not regret that we did not lose a million men to beat Hitler. I regret that we did not snuff him out in the very beginning, when he was not armed, at the beginning of his follies in 1936 on the left bank of the Rhine.

Am I so much more masochistic than you? On the contrary, I believe that it is my love for France and my confidence in the French that led me to speak to them openly. I told them that their country was a society that was poorly organized and ill at ease. I have the impression that if they become convinced of it, they will be capable of getting rid of their old cast-off clothing.

[Aron] Between us, what you are now saying is in direct contradiction with your theory of remanence.

[Peyrefitte] We have both qualities and defects in our blood. Our problem is knowing them well enough so as to be able to live with them and expand on the qualities without exaggerating the faults. The genius of De Gaulle was to find a constitutional mechanism which precisely prevented the faults from ruining the state. We have yet to find the administrative institutions, a local democracy, methods of participation that would liberate the social energy.

[Aron] But what you say is not new. Renan has already described all of that.

[Peyrefitte] How many French people have read Renan? For you, Max Weber is an illustrious sociologist. He is, for sociologists. But it took 60 years for the little book of Max Weber to be translated into French. For three centuries, a whole line of authors whom I quote have had intuitions close to mine. French society has known nothing about them.

[Aron] I grant you that there is laziness on the part of French translators. But there is one more reason: If Max Weber did not strike the French, it is because what he said belonged to what I would call the Vulgate of French self-criticism. All informed people had the impression that they already knew what he was saying.

[Peyrefitte] Are you sure of that? On the contrary, I believe that people ignored it because it bothered them. A small part of the intelligentsia was up on him, but not the French. But let us leave Max Weber. I should like to know why you, who are not exactly an optimist, are so set on labeling me as a masochist, when I am conscious of being an unrepentant optimist?

[Aron] I shall give you an example. The Americans, whom I know well, see France through a series of stereotypes. Do you want me to tell you what they are? The ones you denounce in your book. You are going to further convince them. Actually, what irritates intelligent Americans is precisely the fact that this Latin France, which is in a perpetual civil war, which is as little Anglo-Saxon as possible, which is unaware of all commercial and monetary techniques, is not an underdeveloped country. The fact that it is rich, that it has developed a nuclear strike force. In short, that it has escaped the stereotype. But as soon as they begin to ask themselves about us, you suggest that they stop their investigation. You reassure them: We are Latins incapable of adapting ourselves to the modern world. Is that acceptable?

[Peyrefitte] I don't give a hang about American prejudices. My book will not budge them an inch. I am addressing myself to the prejudices of the French. I disturb their intellectual complacency, by telling them that they only succeeded because they have begun to catch up thanks to steps toward productivity, to an opening up to the world, to international competition, because they have learned the commercial, monetary and technological methods of the most advanced countries, because they have acquired that taste for enterprise and performance which has made the success of the Americans.

Just look: Those nationalizations of the Joint Program, which neither you nor I want, would be an accentuation of bureaucratic centralization, a confiscation by the state of the spirit of enterprise and initiative of individuals and groups, a marked monocentrism. I am not questioning political centralism; I reject administrative centralism and the distinction is just as timely as it was during the time of Tocqueville.

You were careful not to be a Gaullist. I am one. De Gaulle gave at least two gifts to France: institutions that allow us to resist our own demons and the application of the Treaty of Rome -- that is, the opening of the borders. He brought France out of the secular rut of protectionism. That is not too bad. Furthermore, beginning in 1963 and the minors' strike, especially their balloting, he understood that we were going to have to tear ourselves away from eternal centralization. I do not know whether in 2 years we shall have been carried away by the "Italian malady." I believe that both of them are worse than the French affliction, but I can do nothing against either of them. However, I can try to make the French understand that a centralized and bureaucratized society is holding them back and wasting their energy.

[Aron] I am not really convinced. It seems to me that you are missing the point. I would gladly admit that the French are in an eternal state of civil war. The eternal quest for spiritual unity of which Toynbee spoke. Very good. But what is wrong with us today? Something stupid. A constitutional piece of stupidity. Our brave socialists were not at all anxious 15 years ago to join with the communists. We decided upon election of the president of the republic by universal suffrage and that is a good thing.

We have deduced from it that bipolarization was to descend from top to bottom. It has just recently landed at the level of the communes. But then, it was not ways of thinking that brought about the split; it was the institutional mechanism that brought socialists and communists together.

[Peyrefitte] Like you, I believe that it is an error to bring bipolarization down into the elections, not only the legislative elections, but those in the cantons, town councils and the smallest villages. But in this case, I do not believe that the institutions explain everything. If the socialists had reacted differently, this same institutional mechanism of which you disapprove would have brought them together with the majority or the centrists. The mechanism forced them to choose, but if they chose the Communist Party rather than the center, it was because they followed their Marxist bent of the class struggle, that of the state bureaucracy. These are the reflexes that interest me.

[Suffert] I should like to bring you back to two simple questions, those which the public is asking itself. First of all, is there in France a political risk linked to centralization and the bureaucracy? If so, what is to be done? Second, is the "English malady" specific to Great Britain or does it foretell a cracking in all Western societies?

[Aron] I shall answer the first question. What makes the French crisis particularly intense is its political evolution, not its hierarchical structure. For 25 years, French society has been much more creative than English society. But, and on this point I agree with Peyrefitte, we are eaten up by the old tradition of the red and the white, devoured by the passion for ideology. And you have the result: Tomorrow the left may come to power, even though no one -- and I mean no one -- knows whether the Communist Party has been converted to political freedom. Therefore, we are going to play Russian roulette with freedom. Moreover, this left presents a program that condenses nearly all the measures that have failed economically elsewhere. The phenomenon is fascinating. That intelligent people who have graduated from the Polytechnical School and the ENA [National School of Administration] should have the same ideological naivete -- or even more naivete -- than the Billancourt worker is truly a prodigious feat.

And the French institutional system has accelerated the phenomenon. Now then, the coming to power of the left is going to bring about formidable mass movements, a rise of hope such as we have never seen, and no one will be able to master the crowd any more than they can hope. Therefore, we are going to treat ourselves to a certain number of years of crisis, a crisis for which we shall pay very dearly. You understand that from this standpoint, the problem of administrative centralization seems secondary to me.

[Peyrefitte] Are we going to convince the French by repeating to them from the election pulpits or university lecture halls that they are going to do something insane? If they are getting ready to do so, it is because they do not realize it. We must therefore explain to them why they, the French,

are like that. Why they have that ideological naivete, that taste for utopia, that spirit of intransigence. And why all of that only exists in the Latin countries: France, Italy, Portugal, Spain, South America, and so on.

I agree that all the societies are becoming bureaucratized and therefore, that the Roman or French evil may spread. But in our country, we are three centuries ahead, three centuries which have made it a second nature. And all of a sudden, we are one of the only societies in which the state bureaucracy, unbelievably, appears to the masses as a hope.

[Aron] On that I partially follow you, although your historical interpretation seems to me to be subject to caution. Do not forget that the French monarchy had to make France. It was a struggle that required centuries and that explains centralism, at least as much as the Catholic tradition. Like you, I detest Louis XIV and Napoleon. All of that helped to make the French state an immense power. You must admit that the Revolution fixed nothing.

[Peyrefitte] That is precisely what I am showing. I am simply asking that one take care of the roots of the evil. And decentralization seems to me to be one of the essential therapies.

[Suffert] Mr Peyrefitte, do you support a regional assembly elected by universal suffrage?

[Peyrefitte] No. Regional reform contributed to the dismantling of the fragile Italian state. I do not want to take that risk. And why add one more stage? We must decentralize without complicating things. To do so, it is enough to have elected representatives, who are truly responsible, exercise a goodly share of the administrative powers held in each department by the prefect and departmental directors of the central administrations. Democracy means that elected representatives, placed under the control of the voters, will handle the essential affairs. Today the opposite is true. The bureaucrats take charge of the essential things. Whence an extraordinary feeling of frustration on the part of the French, which feeds the illusions of the left.

[Aron] Since you say so, I believe you. But do you not also believe that the ministers are wasting their time? Is the accusation of the administration not a little easy? There is at least a resignation on the part of the political class and it is its own fault. Explain to me why politicians whom I knew when they were 30 years old, when they were intelligent and cultivated, became, at the age of 50, men who no longer knew anything and repeated banalities.

[Peyrefitte] They no longer have the time to look and learn. They have let themselves go to ruin. They have also been the victims of the plurality of elective mandates, that specifically French scourge. Our system is

a machine made to sap energies. That is why we have to change the system. It will not be enough to refuse to let it be aggravated by the Marxists.

[Suffert] Basically, Mr Aron, you admit that Peyrefitte is not wrong with respect to the bureaucracy and irresponsibility. You simply believe that the English evil, the evil of egalitarianism at any price, is very dangerous for democracy.

[Peyrefitte] I would like to say a word about the English evil. It is much more specific also than Raymond Aron says. England had great difficulty recovering from a war that devastated its financial empire. It did not absorb the loss of its colonial empire as easily as we did. It found itself on its island with aristocratic habits, without understanding what was happening to it. The workers understood no more than the leaders -- whence the unheard of union pressure of workers who want to progress in an economy that is regressing. Not even the United States or Germany are in such a position.

My last point: The fact that the same language is used in England and the United States has caused a prodigious brain drain: In recent years, nearly 30 percent of the young engineers and technicians have gone to the United States. It is as if England had admitted that it was but the first stage of a rocket needed for the putting into orbit of that prodigious phenomenon called the United States. With its fuel used up, the English stage has dropped off. And the English have turned their backs on the principles that made the greatness of the Anglo-Saxon countries.

[Aron] I do not disagree with you. I would simply add that the English decadence began well before the war. England has always been a strange mixture of a certain capacity -- let us say economic initiative -- and an extremely aristocratic and hierarchical society. As long as England was rich, the system functioned, and the English, as divided as we are, managed to coexist. Then the decline came, for all the reasons you have enumerated. Now then, what strikes me -- and threatens us -- is precisely that English passivity in the face of the despotism of the unions. They are the masters of the game and the government can do nothing against them. They did not agree to sign an agreement with their government until they began to realize that their demands were quite simply risking the destruction of England. I fear that the two elements of the British decadence -- an excessive tax system and an all-powerful union system -- may serve as a model for all democracies. And that is why I am as obsessed by the English malady as a danger to all of us as you are by the French evil.

[Peyrefitte] I think that English is too exhausted to be a model, even for a malady. The two elements of which you speak are very dangerous, but in our country, like egalitarianism, they take on a specifically French aspect, which I have described. Administrative greediness and tax greediness go hand in hand. As for trade unionism, there is no need of the English malady to note that in France, it was molded along the line of a feudalized and convulsive society. Let us admit that the two evils go together; it is not reassuring.

[Aron] I have the impression that you are a pessimist. You have a relatively black view of the history of France. A succession of misfortunes and defeats. As for me, what strikes me is that all the countries on the European continent have successively had their period of glory and then collapse. But we have been there all the time. We existed during the time of the Capetian monarchy, we played a role during the Renaissance, we existed throughout the Century of Light and even, whatever you might say, during the period of industrialization. It is true that we have often spoiled our chances! We have often tumbled down after climbing up. We may well do it again. But, mysteriously, we have always succeeded in coming back to life.

[Peyrefitte] Yes. We have fantastic reserves of energy. Our only problem is knowing how to release it. In other words, how to get organized. I find that you speak like De Gaulle, and for myself, I have perhaps spoken like a sociologist, without relying too much on providence.

[Aron] I do not know whom I speak like. I just observe. And one has to have a kind of undying hope in order to believe in a future of this decadent Europe in March of 1977.

11,464

CSO: 3100

## FRANCE

### BRIEFS

NEED FOR CIVILIAN PERSONNEL--"A professional army requires the use of a large number of civilians," emphasized General Guy Mery, armed forces chief of staff, at a press conference on 22 April in Bordeaux during a visit to the 4th military region. [Continuing, he said,] "Such is the case in Great Britain where civilians make up 50 percent of the armed forces. Their army costs more, and I do not believe that our country can do more than it is now doing. It would not be reasonable [to think that it could]." The chief of staff replied thus to those who favor establishing a professional army in France, and specifically to Pierre Messmer, the RPR deputy for Moselle [Department] and former minister of the armed forces under De Gaulle, who had come out for the establishment of a volunteer army coupled with a nonobligatory service to the nation. "Moreover," Mery added, "conscription is not aimed just at providing our youth with military training; it also allows them to participate in army life, an important part of the life of France." [Text] [Paris LE MONDE in French 24-25 Apr 77 p 9]

BARRE-MITTERRAND DEBATE--"Everything will change on the evening of 12 May," says Giscard. On that evening, [Prime Minister Raymond] Barre will debate [PSF First Secretary Francois] Mitterrand on television. For Giscard there is no doubt: "The prime minister will pulverize the joint program" and the political climate will again improve. [Text] [Paris PARIS MATCH in French 22 Apr 77 p 89]

PROFESSIONAL ARMY COST--The Ministry of Defense estimates that a professional army would cost 27.6 billion francs, i.e., 9 billion francs more than the present army. The cost per enlisted man would rise from the present 25,000 francs to 45,000 francs per year. [Text] [Paris PARIS MATCH in French 22 Apr 77 p 89]

CSO: 3100

# STRIKES REPORTED SPREADING

Athens HELLENEWS-EXPRESS in English 31 Mar 77 pp 4, 5

[Text] The Greek economy is being subjected to a different form of strain in the last three months. Until now, the main problem since the present government took office had come from rising production costs as successive claims for higher wages and salaries were conceded. Now, where public utility concerns and civil servants are concerned, the authorities seem to have "dug in their heels" and have given evidence of determination to "sit it out" with various groups of strikers. Private employers adopting a hard line versus strikers in their firms are likewise experiencing less pressure from above to concede pay increases (in fact the latest collective labour agreement on minimum wage and salary rates, forbade any increase exceeding 15%).

Thus the teachers at secondary state schools and most of those employed in private schools have been on strike for their fifth consecutive week. In fact, with the Easter holiday only 10 days away, the Easter term has already been virtually lost for the pupils but neither side is giving way.

OLP (Piraeus Port Authority) dockers went back to work this week after two days of complete strike (24th and 26th March, the 25th and 27th being public holidays) and 55 days of "work to schedule" tactics. Without overtime shifts and piecework contracting, it is impossible for the present facilities at Piraeus to cope with average traffic. At the moment of going to press, some 88 vessels are reported to be either lying alongside berths slowly loading and unloading or lying at anchor outside the port awaiting the freeing of a berth. Tens of other vessels have already been diverted to other Greek ports or have sailed out of Greek waters without discharging cargo destined for Greece. Shortages of imported articles on the retail market have not yet appeared but stocks of raw materials of certain firms are running low and the effects on the economy are likely to appear in a few weeks. Certain conference lines have imposed surcharges, the latest of them being 20% on the part of a Far East conference line.

Olympic Airways are still at loggerheads with a large portion of their pilots and the latter have decided to prolong their strike over the Easter

holiday. This will hit the Easter tourist peak traffic and will have an immediate effect on the economy, especially in terms of foreign currency earnings--one of its most sensitive spots. To make matters worse in this particular sector, employees in the catering trade have announced their intention to strike over the Easter holiday and are being joined by the tourist guides.

LARKO personnel, employed in the nickel ore smelting works at Larymna (Bodossakis group) have been out on strike for six weeks but the management did not give way. Instead, it used the opportunity to close the works down for a much overdue general overhaul and for certain extension jobs.

In the particular case of the OLP strike, it might be worth remembering that, while Piraeus is the country's main port for imports, the bulk of exports pass through other ports, not on strike such as Patras, Aighion and Kalamota for currants, raisins and dried figs, the Cretan ports for citrus fruit, fresh grapes and oliveoil, Thessaloniki and Kavalla for leaf tobacco and various private loading jetties at various points on the coast for cement, refractory materials and mineral ores. Large quantities of perishables leave Northern Greece overland by rail or road.

Therefore, if handling priority, in such work as is being carried out by the Piraeus dockers, is given to essential raw materials and other articles of prime necessity, it could conceivably become possible to convert the strike into a convenient instrument to retard imports of non-essential articles and discourage further shipments from abroad while the majority of exports remain operative.

In the short term, this could affect balance of trade figures in the near future but unfavourably. The position in Olympic Airways and the tourist catering trade is, of course, the reverse. Any dislocation there has an immediate impact on foreign currency receipts and the workers hold the whip hand. It is a particularly delicate matter at this moment because increased overheads and operating costs have already forced hotel tariffs up considerably since last year and this, as mentioned in another part of this issue, has already contributed towards a decline in arrivals from Western Europe in January and February of this year.

CSO: 4820

# INVESTMENT INCENTIVES, TAXATION DISCUSSED

Athens HELLENEWS-EXPRESS in English 24 Mar 77 pp 1, 2

[Text] In Parliament, on the 16th of this month, Mr. E. Devletoglou, Minister of Finance, stated that the question of investment incentives was being closely studied and a bill would be laid before Parliament soon. Such changes, said the Minister, as the bill might introduce to the present system of incentives would be to the advantage of investors (Editor's comment: A somewhat superfluous assurance since it could not possibly be otherwise, in view of the pronounced decline in private investment of the last two years). Turning to the question of Value Added Tax, Mr. Devletoglou said its introduction before or after Greece's accession to the EEC would depend upon the following three factors:

- (i) Its probable effect on the price structure
- (ii) Completion of a comprehensive prior study
- (iii) Its part in the overall network of negotiations for accession to the EEC.

Mr. Devletoglou added that the study was already nearing its final stages and a second committee which included some professors and other experts had been appointed to examine the plans which were being drawn up. The subject, said the Minister, was complicated because, in terms of quantity, VAT would substitute established sources of revenue worth up to Drs 70,000 million per annum (Tax on Business Turnover, Luxury Tax, etc.) while, in terms of practical application, careful consideration had to be given to the method of transition from the one system to the other.

Mr. Devletoglou was rather cautious about committing himself to any assurance that VAT would not, in fact, impose further taxation. He was quoted as having said, "It should not constitute any additional burden, since it will be substituting a number of other taxes presently being collected." The Minister used the occasion to state that no special Directorate was being formed in his Ministry to deal with matters concerning the EEC because the existing establishment was amply suited to cope with them in the best manner.

CSO: 4820

## MINISTER OF COORDINATION VISITS ROMANIA

Athens HELLENEWS-EXPRESS in English 24 Mar 77 pp 2, 3

[Text] The Minister of Coordination returned on the 20th of March from his three-day state visit to Romania, where the talks covered a wide field of cooperation between the two countries.

On the economic side, against a background of an expanding volume of trade, as shown below in millions of US Dollars,

	<u>Exports to Romania</u>	<u>Imports</u>
1974	23.7	41.3
1975	30.6	47.1
1976	44.8	64.9

Mr. Papaligouras suggested abolition of the barter clearing system in favour of transactions in convertible currency but the Romanian side preferred to maintain barter trade until expiry of the current five-year trade agreement in 1980. The Romanians, however, showed particular interest in industrial cooperation and offered to undertake:

- part of the petrochemicals complex being planned by the ELEVME [Greek Industrial and Mining Investments Company] consortium at Nea Karvali
- development of the Mesolongi lagoon salt pans
- cooperation in mining activity generally
- exchange of electric energy (how? power transmission across Bulgaria?)
- to supply the Public Power Corp/n with capital investment equipment
- construction of plant to assemble machine tools
- to supply telecommunication material
- to supply rolling stock for the State railways

(Editor's comment: As readers will have observed, the Romanian side has expressed interest in undertaking a very big proportion of the total of major investment and development projects contemplated at present by the Greek Government. There is no doubt that, given equal standards of technology and competitive prices, the Greek side should prove happy to give every favourable consideration to the Romanian offers, if financing from Romania can be made available on scale that could approximately match that forthcoming from alternative quarters. No doubt, further talks on this particular aspect of cooperation must hinge on these points.)

OUTLINE OF ANTITRUST BILL CIRCULATED

Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 3

[Text] The draft of the antitrust bill, which the Government intends to submit to Parliament, has been circulated among business quarters and the organizations of the workers, for their comments. The bill is based on what already applies in Western countries and has special regard to Articles 85 and 86 of the Treaty of Rome as well as conforming to a series of EEC regulations, issued subsequently.

Briefly, the law will apply the usual ban on agreements among firms or groups of firms which fix cartel prices or market quotas. It will also prevent misuse of a dominant position on a market by any concern. This will in no way interfere with normal cooperation between firms or with mergers which aim at improving efficiency and lowering of unit production costs.

A special section will be set up at the Ministry of Trade, to be known as the "Protection of Competition Service," which will maintain a record of cooperations between firms. At the same time, a "Protection of Competition Committee" will be appointed at the Ministry of Trade over which a senior member of the judiciary will preside. This committee will examine all complaints and allegations related to the application of the new law. There will be the right of appeal before the courts of law in Athens and also before the Council of State.

The restrictions foreseen by the law shall not apply in cases where the following cumulative circumstances may exist:

- (a) when agreements among firms tend to improve production or distribution or technological progress with participation by the consumers in the resulting benefits
- (b) when agreements do not subject firms to restrictions beyond those absolutely necessary in order to achieve the results listed above
- (c) when the agreements do not enable firms to obliterate competition over a significant section of the market.

DEVELOPMENT OF MINERAL RESOURCES

Athens HELLENEWS-EXPRESS in English 24 Mar 77 pp 3, 4

[Text] Last week, the Minister of Industry and Energy promised intensification of the effort to develop indigenous sources of energy on the basis of a concrete plan already drawn up.

Mr. Konofagos repeated an earlier statement about granting to a foreign firm or firms the right to conduct seismic tests off Kyparissia (W. Peloponnisos coast) in the hope of locating probable oil-bearing areas. Prior to this, DEP (Public Petroleum Enterprise) will be carrying out geophysical research in the same area and off the shores of Preveza further north on the Ionian seaboard.

If the tests suggest the presence of oil, the same firms will be employed to bore exploratory wells. DEP is due to have the first exploratory hole drilled for its account in the shallows of the Gulf of Patras this summer.

Mr. Konofagos had nothing new to add about the Thasos and the Nestos areas (details of DEP's programme are shown separately in this issue). As regards geothermic energy, the Minister said research was in the hands of DEI (Public Power Corporation) which was working on a fixed plan. The question of harnessing solar and wind power would be entrusted to ETVA (Hellenic Industrial Development Bank). With particular reference to uranium, Mr. Konofagos said IGME (Institute for Geological and Mineral Research) had undertaken all responsibilities and would be completing the present stage of its work during the current year. A specially chartered aircraft was completing its air survey over the island of Crete. Finally, as regards the recent discovery of phosphate in Ipeiros, Mr. Konofagos said the quantity so far located had been estimated at more than 1,000 million tons but the pentoxide content on the average was between 10-15% and this raised a question of concentration. At first sight, exploitation could begin along those seams requiring the least degree of concentration.

CSO: 4820

SEARCH FOR OIL TO COST DRS 1,000 MILLION IN 1977

Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 4

[Text] The 1977 DEP (Public Petroleum Enterprise) budget amounts to approximately Drs 1,000 million. Of this, Drs 72,500,000 will go for the purchase of drilling equipment. Prospecting and exploratory work will be undertaken in the undermentioned areas (figures in brackets denote expenditure to be incurred in each).

--Nestos estuary: Continuation of drilling and seismic tests (114,516,000)

--Xanthi-Komotini: Seismic tests to be continued, also barytometric tests (101,870,000)

--Strymon valley: Continuation of geological research, seismic and barytometric tests as well as geological survey (58,974,000)

--Filippi: Seismic and barytometric tests, geological survey (6,433,000)

--Katerini: Seismic tests, geological reconnaissance and laboratory tests on samples of strata (215,000)

--Syngitikos Gulf: Seismic tests (2,145,000)

--Western Peloponnisos: Continuation of geological, geochemical and geophysical tests, also probable borehole (182,342,000)

--Preveza and Gulf of Amvrakia: Geological and geophysical survey, also probable borehole (107,439,000)

--Kerkyra Island: Seismic tests near southern tip (3,967,000)

--Gulf of Patrai: Seismic, barytometric and magnetic tests (330,253,000)

--Preveza-Paxoi area: Seismic, barytometric and magnetic tests (13,724,000)

--Gulfs of Messinia and Lakonia: Geological and geophysical surveys (each 1,608,000)

General support work, analyses, etc. (2,406,000). Unforeseen expenses (60,000,000).

## BRIEFS

POLICY ON STEEL--What can be regarded as a rapid follow-up to the meeting chaired by the Prime Minister on the 9th of this month, was the statement on the 10th by Mr. K. Konofagos, Minister of Industry, on the Government's policy on steel. Mr. Konofagos stated that the Government felt it necessary to ensure as high as possible a production of steel within Greece itself. For this reason, consideration is being given to the establishment of steel foundries with a 400,000 ton per year output capacity. They would operate on the principle of gas reduction. The unit would be fed on imported iron ore and it would produce sponge iron to replace the scrap iron presently used. The Minister expressed the belief that such a unit could prove a paying proposition. The National Investment Bank for Industrial Development and Hellenic Steel S.A. have declared themselves interested in such a project. At the same time, the Government is examining the interest shown by the same Bank and a consortium of other banks for steelworks to produce in Greece chrome and nickel steel alloys. As both chrome and nickel are mined in Greece and steel alloys with these metals are essential for an arms industry, such as that to which the Greek Government has already committed itself, the matter acquires even greater importance. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 pp 4, 5]

EXPLORATION FOR URANIUM--The Greek nuclear research centre "Dimokritos" has been prospecting for uranium in the area east of Xanthi where eight sites are being closely investigated. Six more sites in the same general area have been located where, apart from uranium, the presence of certain other precious and semi-precious metals is suspected. In those, also, prospecting is being carried out. Mr. Konofagos used the opportunity, when these announcements were being made, to deny once again certain rumours that Denison Mines Ltd or any other foreign interests were participating in the search for uranium in Greece. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 5]

1977 CRUDE OIL SUPPLIES--The Government has arranged purchases of 1,500,000 tons of crude oil from Arab states and a further 1,200,000 tons from the USSR, towards the country's 1977 requirements. Negotiations are now in progress with the RSC Consortium for 1,900,000 tons. At the moment, 700,000

tons of oil of Arabian origin is being offered at \$11.69 per barrel and 1,200,000 tons of Iranian at \$12.49. If payment is effected on a 75-day credit basis, there will be a 10 cent extra charge per barrel. The Greek side has offered \$11.49 and \$11.79 respectively but the offer is not acceptable to the Consortium ("B.P.", SHELL and MOBIL). Total Greek 1977 crude oil requirements have been estimated at 8,400,000 tons. Half of this is expected to come from countries which have introduced a 5% price increase and the other half from those which have imposed the 10% increase. For the entire year, the crude oil price increases, when passed on to the consumer will burden him with an approximate amount of Drs 5,000 million. It is most probable that a larger share will fall upon motorspirit (regular and premium). In 1976, consumption of finished petroleum products was (in tons): LPG 171,000; Premium and Regular Motorspirit 507,000; Jetfuel-4 180,000; Kerosene 56,000; Dieseloil-Z 455,000; Fueloil 360' 78,000; Fuel-oil 1500' 869,000; Fueloil 3500' 2,864,000; VGO 32,000; and Asphalt 168,000. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 5]

BORDER AREA INVESTMENT PROBLEMS--Every few weeks, announcements are made about approval from the Ministry of Co-ordination of applications for productive investments in border areas to enjoy the terms and privileges extended by Law 289/76. However, the proportion of such investment approvals which finally materialize is seen to be small. A minor investigation has shown that the stumbling block lies with the Banks from which the loans are requested after the ministerial approval. The incentives provided under Law 289 foresee (among other privileges) a small ratio of own capital to borrowed capital but the Banks demand full security and this presupposes possession by the applicant of a correspondingly large fortune. If applicants did in fact possess large fortunes, they would have had a larger ratio of own capital any way and would not need, in the majority of cases, to apply for borrowed capital so much in excess of their own availabilities and then they would not be planning investments in distant border areas. So the whole matter appears to be going "back to square one" in many cases. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 6]

BARTER TRADE WITH YUGOSLAVIA--The mission on Chamber of Commerce level which has been in Yugoslavia negotiating renewal of the bilateral barter trade agreement has initialed the text of a new agreement whereby the barter system between the two countries will be abolished entirely with effect from 1st July, 1977, transactions thereafter being conducted in convertible currency. Business quarters in Greece appear to regard this as the first stage in a gradual process of abolition of clearing agreements in favour of the application of the free convertible currency system of payments. However, it is anticipated that on each occasion, transition will be decided on the merits of the case rather than introduce a general abolition of barter trade. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 6]

THASOS OIL EXPLORATION--Articles of Association have been gazetted under reference No. DAEPE-2967-4th December 1976, and the registration has been made of North Aegean Petroleum Co. Ltd which, in future, will cover the group of companies presently busy with the Thasos oil exploration and exploitation activities. The share capital has been declared as Drs 5,000,000. Participants are: Denison Mines Ltd, Hellenic Oil Co. Inc. and White Shield Greece Oil Corporation. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

NUCLEAR GENERATING STATION--Some recent newspaper reports have led to clarification from the Ministry of Co-ordination that nothing beyond what was announced in November 1976 concerning a nuclear powered generating station has been decided. In principle, therefore, the intention is to have such a power station in action by 1985 but the final site has not been chosen nor have negotiations for its construction opened with any interested party. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

NESTOS 1 RESULTS--The ROMPETROL combustion test at their "Nestos 1" borehole has shown the oil deposit found there at a depth of approximately 4,000 metres not to be worth exploiting. Nevertheless, ROMPETROL are to go ahead with their second borehole in the same area. Work will begin in about six weeks time. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

PROSPECTING IN WESTERN GREECE--A foreign firm is to be granted an oil prospecting concession in Western Greece, onshore and offshore on the Ionian seaboard. Drilling to a depth of 5,500 M. is said to be envisaged. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

INDUSTRIAL OUTPUT STATISTICS--National Statistical Service figures show industrial output in Greece to have been 8.8% higher in 1976 than in 1975, when it had exceeded that of 1974 by 4.5%. In 1974, it had fallen 2% below that of 1973. The 1976 increase was seen in all sectors of industry except in woodworking, cork, publications, petroleum by-products, and transport means. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

SUGAR REFINERY EXPANSION--Hellenic Sugar Refineries S.A. are to invest Drs 250 million in an expansion project at the refinery at Xanthi. This will increase processing capacity to 6,000 tons of beet for 24 hours (present capacity 4,000 tons). [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 8]

SYRIAN-GREEK TRADE TALKS--Mr. Al Sayed, Economic Counsellor to the Syrian Embassy in Greece, had further talks on the 10th of this month with Mr. K. Panagos, and Mr. A. Evfraimogiou, Chairman and Secretary General, respectively, of the Athens Chamber of Commerce and Industry, on means for expanding reciprocal trade. The Syrian side is proving just as keen as

the Greek to achieve a substantial increase in trade and plans are in hand to set up a Syrian and a Greek section in each other's Chambers of Commerce. [Text] [Athens HELLENEWS-EXPRESS in English 17 Mar 77 p 9]

GREEK-ARAB BANK PLANS ADVANCE--The question of a Greek-Arab Bank, mentioned briefly in a previous edition, is assuming a more concrete form. Final agreement was attained on the occasion of the recent visit to Athens of the trade mission from Kuwait and the representative of the State Bank of Libya. Now it is merely a question of carrying out the requisite legal procedure and other formalities. With particular reference to Kuwait, there is already interest from that quarter in a project involving the construction of five major tourist hotel units in Greece and also in certain industrial investments. The latter would be in cooperation with ETVA (Hellenic Industrial Development Bank). These moves are to be seen against a background of expanding trade relations with Kuwait (in 1975, Greece was 39th on the list of suppliers of goods to Kuwait. In 1976, Greece had moved up to 29th). [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 5]

IMPORT DUTY ON CARS ASSESSED ON NEW BASIS--As a result of reports to the effect that various firms abroad, exporting motorcars to Greece, had been underpricing their export invoices, the Ministry of Finance has enforced, since the 16th of this month, a new basis for assessing import duty. Under the old system, import duty was calculated on CIF cost plus 10%. Now it is based on the car's List Price on its domestic market less internal taxation in that country. To this are added, freight, insurance and 10% to give the final dutiable value in Greece. As a specific example, the case of Ford Escort was quoted. Retail price in the UK was shown as 2050 pounds inclusive of British CALTAX and VAT, together with 298 pounds. Subtracting this, there is left the sum of 1752 pounds. It is to this that freight, insurance and 10% must be added. This procedure is far more complicated than its predecessor and there has been considerable delay in clearing through customs since its application. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 5]

CHEAPER ROAD CONSTRUCTION METHOD--Construction methods for the Greek provincial road network are to change. Until now, waterbound Macadam road metalling was given an asphalt surface. The cost of asphalt, which had to be imported, burdened the foreign currency reserve by no small amount. Quarrying and crushing stone also required fuel and imported machinery. It is now intended to lay roads with 15 cms of natural sand gravel bound with cement and then spray two coatings of bitumen seal. Instead of cement as a binder, use will also be made, wherever more convenient, of the volcanic puzzolana which abounds on the island of Santorini or the volatile ash thrown up by the chimneys of DEI (Public Power Corporation) lignite-fired power stations. This is wasted at present. This new road-building method is to be put into effect at once because the necessary series of tests have already been completed successfully. A major saving in cost, amounting in certain cases to as much as 50%, is foreseen. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 5]

STATE MEAT FACTORY ENTERPRISE--In 1968, the state-owned ETVA (Hellenic Industrial Development Bank) founded ELVIOK, S.A. as a state enterprise to build abattoires (30,000 tons per annum), a calf fattening unit (10,000 head per annum), a 1,000 head-per-annum pig farm and a sausage and meat by-products factory. To date (10 years) this state enterprise has absorbed capital worth Drs 425 million for installations, overheads, etc., but has not gone into production on a commercial scale with any of its sections. In order to get the whole project off the ground, it has now been decided to grant the company a 10-year period of grace in the servicing of the funds it was loaned for its capital (100% of share capital was subscribed out of funds supplied by ETVA). The company also owes a small sum of Drs 8,953,000 to the Commercial Bank of Greece, now also for practical purposes a state bank since the state has a majority holding in its share capital. ELVIOK has been renamed the Megala Kalyvia Company for the Development of Stockbreeding in Thessalia. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 6]

GREEK VESSELS STATISTICS--The merchant fleet flying the Greek flag expanded in February 1977 to 3,576 vessels of 29,703,190 register tons. A year earlier, the figures were 3,263 and 25,765,278, an increase, respectively, of 9.5% and 15.2%. Merchant vessels owned by Greek interests but flying foreign flags diminished further to 1,047 of 17,430,732 register tons. On 28th February 1977, the breakdown of the figure for vessels under the Greek flag showed: dry cargo vessels 2,540 of 17,839,265 register tons; tankers 494 of 10,912,218 register tons; passenger ships 327 of 868,034 register tons; miscellaneous vessels 215 of 83,573 register tons. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 pp 6, 7]

HYDROFOIL USE--Seres Hydrofoils owned by Mr. Livanos, using their two Russian-built "Kometa" hydrofoils, transported 80,000 passengers on the coastal Ydra-Spetsai-Poros-Portokheli run during the five-month summer season last year. The firm was encouraged by the results obtained and is acquiring more of these vessels built in 1976, with which it intends to double the services to the islands in question and to inaugurate day cruises to Navplion and to Cape Sounion. It will also run cruises from Rhodes to certain other islands in the Dodecanese. The vessels seat 116 passengers. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 7]

FOREIGN CURRENCY IMPORTS--In 1976, foreign shipping firms maintaining offices in Greece are estimated to have imported the equivalent of Drs 1,490,258,000 in terms of foreign currency in order to maintain the establishments in question. (Editor's Note: This would be accounted for largely by firms establishing offices here under the terms of Decree 89/67.) [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 7]

BAUXITE PLANT--Bauxites Parnasse S.A. have been authorized to increase to \$165 million the sum of \$140 million which was to have been imported for the bauxite processing plant at Kamiotissa under the privileges extended by Decree 2687. The proposed factory's annual capacity will be 600,000 tons. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 pp 7, 8]

GREEK-BULGARIAN TALKS--Mr. E. Kouloumbis, Chairman of the Hellenic Technical Chamber was the guest of Bulgaria's Central Council of Scientific and Technical Associations during its 6th Congress in Sofia on the 11th and 12th of this month. Greek-Bulgarian technical cooperation, which has already marked noteworthy progress, was discussed further in the field of hydraulics, energy, communication infrastructure projects and exploitation of natural resources. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 8]

ALUMINUM PRODUCT PRICES--Aluminium de Grece S.A. informed the Ministry of Trade that there will be no change in the ex-factory price of aluminium supplied to the domestic market, until 31st July next. Following upon this, the manufacturers in Greece of aluminium products announced also that they would maintain present prices of aluminium articles until the same date. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 8]

ECONOMY STUDY--Mr. R. Batia, an Indian economist of the International Monetary Fund, has completed his study of the present state of the Greek economy and has submitted a memorandum with his findings and conclusions to the Minister of Finance. Mr. Batia has now left Athens to return to the IMF Hqs. [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 9]

INCOME TAX--The Ministry of Finance announced last week that income tax declarations submitted up to the closing date of 26th February, 1977, for the year 1976 were 4.8% more in number, and declared taxable income was 30.7% higher (Drs 175,500 million compared with Drs 134,200 million declared for 1975). [Text] [Athens HELLENEWS-EXPRESS in English 24 Mar 77 p 9]

END OF GREEK-YUGOSLAV BARTER--Upon his return from his three-day visit to Yugoslavia, Minister of Coordination Papaligouras announced signature in Belgrade of the new long-term trade accord which aims at ensuring the "most favoured nation" terms for mutual commercial exchanges while at the same time abolishing bilateral barter trade (the clearing account) with effect from 1st July, 1977. Reciprocal facilities will be granted for trade fairs and displays of products. Provision is also made for cooperation in the scientific sector and in joint planning of economic development and the setting up of joint enterprises, especially in manufacture for export to third countries. A joint committee is being appointed to supervise implementation of the accord. The committee will meet at six-monthly intervals, alternately in Athens and in Belgrade. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 2]

1976 REVENUE UNDERESTIMATION--Final figures after extension of the 1976 Budget accounts into January 1977, showed that the 1976 fiscal year had closed with revenue slightly above that originally estimated, i.e. Drs 173,706,750,000 instead of 171,500,000,000. Revenue actually collected had been 89% of that assessed. Direct taxation had yielded Drs 29,537,800,000 instead of Drs 29,500,000,000 assessed. The amount

actually collected had covered 79.6% of that assessed. In the case of indirect taxation, Drs 107,061,397,000 had been collected against Drs 106,550,000,000 assessed with State enterprises yielding Drs 6,863,731,400 instead of 6,500,000,000 assessed. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 3]

MERGER IN ELECTRICAL APPLIANCES INDUSTRY--Two among Greece's largest manufacturers of electrical appliances, ISOLA and ESKIMO, have announced a merger. This can be fairly regarded as the first instance among major Greek industrial units of reaction to the prospect of the country's accession to the EEC. Mr. P. Drakos, Vice President of ISOLA, S.A., said as much this week when he underlined that consolidation of the electrical appliances branches of the two firms on the domestic market and within the EEC was the object of the merger which, in general, would strengthen the export position of the joint venture. The new agency has received the name Hellenic Manufacturers of Electrical Appliances, S.A. The National Bank of Greece is participating in the share capital but the extent of such participation was not disclosed. The third Greek major manufacturer in the same line of business, PITSOS, S.A., has already combined with a foreign multinational. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 3]

AUSTIN COMPANY FOUNDS GREEK SUBSIDIARY--Austin Co., the multinational firm of engineer consultants and contractors, have added Greece to their list of 27 countries in which they have 45 subsidiary companies, by establishing Austin Hellas Ltd, registered at No 350, Syngrou Blvd., in Athens. Readers will remember that HELLENEWS had previously reported that Austin Co. had undertaken planning, supervision of construction and management of the buildings which are to house the national aircraft factory at Tanagra. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 4]

ELECTRIC RAILWAY EXPROPRIATION COMPENSATION--Professor Stratis Andreadis, principal owner of the Athens-Piraeus Electric Railways, until these were nationalized two years ago, has reverted to his claim for higher compensation for their expropriation. The demand is for an additional Drs 2,000 million on the grounds that compensation was not calculated on the basis of the value of the Gold Pound Sterling or on current price levels. The State had paid Drs 230 million for the entire assets of the railways according to the way in which it had assessed their value. Unless some agreement can be reached, Prof. Andreadis will take the matter to international arbitration. (Editor's Note: Prof. Andreadis controlled the railways through his group of banks, led by the Commercial Bank of Greece, now itself virtually nationalized, in which foreign interests have a share. Were it not for this foreign involvement, it would have been more natural for a Greek Court of Law to have been solely competent to handle the dispute.) [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 pp 5, 6]

CITROEN SMALL UTILITY VEHICLE ASSEMBLED IN GREECE--Two years ago, the Kondogouris Bros with capital amounting to Drs 61,200,000 set up a small assembly plant and registered NAMCO (National Motor Co.) S.A. 13 Klm East of Thessaloniki. They were granted the exclusive patent rights for the MEHARI model of CITROEN, no longer built in France, and are now producing seven vehicles per day. In Greece, the cars are known as the PONY-CITROEN. Value added in Greece by adding bodywork and accessories to the CITROEN chassis and basic motor, amounts to 45% but by August next will have been stepped up to 63.7%. A further Drs 150,000,000 is now being invested in extensions to plant, after which output will be stepped up to 30 units per 8-hour shift and value added in Greece will have increased to about 75%. Present output is easily absorbed by the domestic market (especially the farming community) and the company has on its books a 600 vehicle export order for West Germany. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 6]

SEYCHELLES MINISTER VISIT--Mr. Philippe Moulinier, Minister of Mercantile Marine for the Government of the Seychelles Islands, has been in Greece over the last week for informal talks on possibilities for cooperation with Greek shipping and other business interests. Possibilities for fishing rights among the island group are also among those which could interest Greek businessmen. The islands, now independent, have their own merchant navy flag and this comes at an opportune moment when the Liberian and Panama alternatives have lost some of the advantages which they presented some years ago to Greek shipowners who, for various reasons, preferred to keep their vessels off the Greek Register of Shipping. It will be remembered that, the first close link between the inhabitants of the Seychelles (whose European element is largely French) and Greeks was established twenty years ago when Archbishop Makarios and his immediate Cypriot entourage spent a few years there in exile. Otherwise, the only frequent contact is when Greek vessels, sailing the Indian Ocean, happen to call in for bunkers, repairs or revictualling. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 7]

SHIP LAUNCHING--Hellenic Shipyards launched on the 26th of March, the 15th of a series of 19 bulk carriers on their order books. This vessel is for account of Siviris Maritime Corporation belonging to the Phoenix Maritime Agencies Group. A similar vessel was delivered to the same firm on the 23rd of March. The building of both was financed partly by Manufacturers Hanover Trust Co. of New York. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 7]

WAGE INCREASES--The Ministry of Mercantile Marine has authorized an increase of 10%-30% in Piraeus Port handling rates. This is no doubt a prelude to handing out wage increases to the dockers who have been alternately on strike or "working to schedule" hours. The net result will be a further inflationary factor. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 7]

FOOTWEAR MANUFACTURE--Footwear manufacturers in Greece are disturbed at the news that the U.S.A. may impose heavy import duty on footwear and have already approached the Government to ask that steps be taken to ask for exemption from any such measure, as regards footwear imported into the U.S.A. from Greece. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 8]

GREEK-ALBANIAN TRADE--A new protocol has been signed and appended to the standing Greek-Albanian trade agreement. It raises, for the current year, the value of goods to be exchanged to the equivalent of \$20,000,000 (\$16,000,000 in 1976). Prior to his departure for Tirana yesterday afternoon, Albania's Minister of Trade N. Hoxha had visited the Halvourgiki steelworks, the Hellenic Shipyards, the Aluminium de Grece installations, and the Benaki Institute for Plant Diseases. [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 8]

FARE INCREASES--Urban bus lines (taken over by the State in the Athens-Piraeus area) will increase fares from the present Drs 5.50 to Drs 6.00. Trunkline buses will increase theirs from anything between 5% to 15%. Taxi fares are to increase by Drs 1.30 per Klm and the flat rate when a taxicab is flagged, becomes Drs 20.- [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 8]

FUEL PRICES--It is reported that the prices of regular and premium motor-spirit are to be increased by Drs 1.50 per litre. Diesel oil is to be increased by Drs 0.60. This is ostensibly to cover the increase in the price of crude imposed recently by OPEC. (Editor's Comment: Even accepting the OPEC increase as 10%, it only means approximately Drs 45 per barrel of crude whereas, Drs 1.50 per litre on motorspirit represents about Drs 210 per barrel. If this is finally imposed, it will be nothing less than a further addition to indirect taxation.) [Text] [Athens HELLENEWS-EXPRESS in English 31 Mar 77 p 8]

CSO: 4820

PCI'S GALETTI ON COOPERATIVE LEAGUE'S PLANS

Rome RINASCITA in Italian No 7, 18 Feb 77 pp 13-14

[Interview with the president of the National League of Cooperatives, Vincenzo Galetti, edited by Paolo Forcellini]

[Text] Currently there is a "rediscovery" of the cooperative movement on the part of political and social forces and communications media, which for so many years had ignored this important reality of the Italian economy and society. With increasing frequency, the daily press and illustrated weeklies, sometimes in scandalized tones, report major programs, substantial "business deals" by the cooperative movement: they are astonished that during a phase of deep crisis like the current one, there can still be firms that are expanding; they wonder about the real worth of such an expansion; they invent the most varied hypotheses about the "anomolous" behaviour of the cooperative companies. We interviewed the president of the National League of Cooperatives, Comrade Vincenzo Galetti, on these themes.

[Question] Could you give us a picture of the main initiatives now in progress and of the most important projects that you intend to initiate in the next few years?

[Answer] There are, first of all, some quantitative data. The loan for 100 billion which, about a year ago, we started raising from among our members, has practically been reached. These 100 billion, increasing the financial assets of our companies, allow sufficient funds to flow into the national Fincooper syndicate, to contribute to giving substance to a policy of expansion of the presence of the cooperatives over the whole country, especially in areas (the South) and productive sectors in which for various reasons the cooperative movement had not succeeded in the past in developing an important role. During 1976 we had mostly achieved the investment goal of 1,000 billion that we had set ourselves in advance: it was, therefore, a year of considerable expansion.

The sectors most involved in this expansion are mainly agriculture, the cooperatives for production and labor, fishing and services. Still, it must be said that there are a few dark spots. In the area of commercial

distribution, for instance, where a slight increase in sales (3 percent) was not enough to compensate for the increases in costs and the qualitative changes that the crisis induced also in the structure of consumption (and therefore of sales), reducing the margin of profit.

As for the programs, we have developed and expanded projects for some sectors or problems in which we thought that the cooperative movement had a special role to develop and an original contribution to bring. We have, for instance, examined the position of the cooperative movement in the South and above all outlined some aspects of its future expansion. We believe, in fact, that an economy and a society which are disintegrating as they are in the South especially need the cooperative instrument, because of its capacity to integrate human resources and materials along with its capacity to focus on the objectives which derive from the concrete requirements of the diverse Southern realities. In brief, I mention the interventions that we recently proposed relative to the problems of juvenile unemployment (proposing cooperative solutions which certainly do not completely solve the serious problem, but which are aimed at avoiding occasional welfare interventions, to offer instead structural insertion of young people into productive activities) to the restructuring of commercial distribution -- with the substantial help of the current operators -- our contribution to the definition of an agriculture-food plan, and on down to the problems of the home. On this last theme, we will organize soon a meeting at which we will propose and examine thoroughly a few innovative directions that we are developing.

[Question] The expansion of the League, especially lately, seems to me to have also had a not wholly irrelevant international dimension, especially concerning agreements with African countries. What are the motives which have fostered these agreements with the governments of the third world?

[Answer] Actually, the League has recently opened offices in Somalia, Tanzania, Mozambique, Algeria, and soon it will do the same in Angola. We have stipulated with the governments of these countries important rules regarding interventions in various sectors: infrastructure, reorganization of commerce, transportation, irrigation projects, etc. We intend to carry out these projects in collaboration with the companies with state participation and also with private companies, provided that they renounce attitudes of a colonialist nature. It is not by chance that those governments have entrusted the cooperatives with the direction of the realization of these projects and the choice of partners. I believe that the cooperative firm offers special guarantees to these countries. They have abundant resources, the labor and the cooperative instrument, in addition to being able to realize concretely plants and structures as no other company can, can contribute to training the labor force of those countries. The place that we are winning in the third world is therefore due to our being the bearers of a valid answer to the problems of a better utilization of the specific resources of those societies.

[Question] Still with regard to the more recent initiatives of the cooperative movement, there have been some polemics in the press. In the case of the take-over by the cooperatives of a share of Duina (a large steel-working company), which, according to some commentators, represents a bad investment and with regard to the Immobiliare company. The League and Cooperative have recently denied having acquired a share of the latter, but without -- it seems to me -- excluding that this might happen in the future. Can you state precisely your opinion on these two "cases?"

[Answer] Already in the past the governing body of the League had foreseen the development of the collaboration, with the small and medium-sized companies as well as with the large private firms, but until now the opportunity had not presented itself. Now, perhaps also as a consequence of the worsening of the economic crisis, the possibility of this type of collaboration appears more concrete, for those involved in the cooperatives and also in response to a general need of the country. In this context one must place our agreement made with Duina, whose positive qualities are considered in relation to two main objectives. In the first place, to reduce the cost of the iron products acquired from the cooperative firms, making our companies more competitive and, ultimately, helping the consumer. In second place, the agreement represents an "omen" in the confrontations with the companies with state participation, which until now had intentionally underrated the presence and the potential of the cooperative movement, discriminating often against the cooperatives in favor of their clients the large private companies. Let it be said in parentheses: there is reason to believe that the "omen" is beginning to be fulfilled and certainly we hope that the attitude of the companies with state participation will become in the future more attentive in our confrontations, nor will we fail in that case to respond positively.

On the question of Immobiliare, the leadership of the League has answered the reports which appeared in certain newspapers by denying any conflict of interest and the possibility of a direct participation of the cooperative movement, in any form, in Immobiliare. One should add that such a company, along with all the negative things which have been said and are being said about it, especially the Sogene company, constitutes a technical heritage of experience of national and international value, which would be a real loss to the entire country if dispersed. There should be pre-occupation on the part of the government to try instead to recover it and to put it at the service of a policy which corresponds to the interests of the country, especially in the area of housing.

[Question] The cooperative movement aims to present itself as a particular "model" of company democracy, a form of self-management among the most advanced. How is it possible that this model endures even when the dimensions of the cooperative firms, the technologies that they utilize, have already reached considerable levels even on a European scale, or when the necessities of ulterior developments call for important financial and

industrial operations and necessarily conducted through negotiations with a certain amount of secrecy?

[Answer] In the cooperative firm they vote individually and not by the amount of capital invested. This is the base on which is grafted all the mechanism of participation and self-management. Certainly, in the companies of the dimensions that you mentioned, the problem of democracy is more complex than in the minor companies. But I believe that we must reject the idea that the degree of company democracy is necessarily inversely proportionate to the size of the company. The cooperative firms, small and large, have procedures for approval of the estimated budgets on the part of the members which contain a very high degree of participation, through discussions and successive verifications. Such budgets constitute program planning, sometimes even over a period of years, of the company activity; the participation in their definition is, therefore, an important democratic guaranty. One cannot deny that between the management of the companies and the worker-members there are sometimes difficulties but, in this context of verifications and discussions of the choices, they shrink after all to a useful and necessary dialectic. The control, the clearness of the choices, are therefore at a maximum within the cooperative firms, both in the preceding stage and in the one that follows the carrying out of the main choices.

[Question] In the cooperative firms there are also employees who are not members. This implies particular friction between the cooperative movement and the union movement. In other words, the thematics, for instance, of the control of the workers over the investments and the platforms of demands drawn up in general by the union, what reception do they find on the part of the cooperative movement?

[Answer] Our inclination is to reduce to the minimum the gap between the employees and the members. Currently one can estimate, in the average, at approximately 90 percent the number of worker-members, even if in some situations this percentage is lowered (for instance, in the industries of transformation of agricultural products, where the members are the farmers supplying the products.) Each worker, therefore, if he is not yet a member, is anyway candidate to become a member and this seems to me a fact which cannot be disregarded. On the other hand, we recognize within the cooperative movement an appropriate role for the unions, which we think must still be distinguished from the classic role which it plays in private or public companies, given the simultaneous nature of the members of the cooperative as workers and their own employers. The presence of the unions in the cooperative firms feeds a healthy dialogue, in as much as it contributes to bringing inside these firms the more general demands of society and of the workers' movement and enriches therefore the economic, productive and also political life of the cooperative. There is another mutual interest: the unions have, in fact, in a strong cooperative movement at their side an element of stability and a guaranty of their victories.

On this subject, I want to mention that on 28 Feb there will be a meeting between the three union confederations and the three central cooperatives, the first of its kind between all the expressions of the two movements. It will be an opportunity to verify the profound similarities on the important themes of the development and healing of the country.

[Question] The First National Conference on cooperatives, called by the government, should be held soon. What do you intend to gain from this occasion? Will the cooperative movement present itself at the conference with its plans and expectations united or will the three central cooperatives convene in "skirmishing order?"

[Answer] The conference should be held from 26 to 29 April next. It has been requested for years of the government and the fact that we have finally gotten it gives the measure of the new interest with which, even on the part of the government, the cooperative movement is viewed. We propose to obtain through the conference from the government at all levels a pledge qualitatively different with respect to its relations with the cooperatives, a policy which is not protective but promotive of the cooperatives. The cooperative movement during these last years has made a serious effort to strengthen its image, an effort often up against a scanty knowledge of the cooperative phenomenon, especially on the part of the political forces. There has been, namely, an underrating of the role of the cooperatives, a gap even cultural between the potential of this instrument and the attention which has been directed to it by the political forces.

Among the more immediate objectives that we propose is asking the government and the political forces for a precise promise relative to the introduction of the bill for the reform of the rules which regulate the cooperatives. To the elaboration of such a project the three central cooperatives have collaborated with the labor minister and we hope that his approval will not meet obstacles and will be quickly obtained. The bill, without in any way subtracting from what is positive in the cooperative tradition, proposes above all to signal the passage, even in the legislation, from a concept merely supportive of the cooperatives, to one based on its management.

At this national conference the three central cooperatives arrive bearing a consistent unifying process. Certainly it is necessary to make clear that the cooperative movement does not propose to give life to processes of unification in the near future. We have given ourselves a strategy that we think is valid for a long period, based on a pluralism of organizational structures which refer to the various ideal conceptions from which the movement draws inspiration and which we hold at the present time to be a factor of reciprocal enrichment. What we are aiming at is an increasingly narrow unity of action for the attainment of common objectives and because we are aware that this is the primary condition for expressing in its entirety the potential of the cooperatives in our country.

## ITALY

### PCI'S AMENDOLA INTERVIEWED ON ECONOMIC CRISIS

Rome L'UNITA in Italian 8 Apr 77 p 3

[Interview of PCI leader Giorgio Amendola by Giacomo Luciani: "The Diversity of This Crisis"]

[Text] The international veto on participation of the Italian communists in government was one of the main themes of the 20 June election campaign and a recurrent subject of propaganda against a change in the political picture. Giacomo Luciani's book on "The PCI and Western Capitalism," published by Longanesi, corrects the propagandistic oversimplifications and supplies a resume of the contradictions--which in fact do not involve Italy alone--within which the economies of industrialized nations are debated, as well as the more important positions taken by the communists and international financial circles on the subject. With the kind permission of the publisher, we present an excerpt of the interview of Giorgio Amendola by Giacomo Luciani with which the book ends.

[Question] According to some, the economic crisis that has afflicted not only Italy but all the industrial nations in recent years is coming to an end. Do you think this is true?

[Answer] At the beginning of 1977 some symptoms of economic recovery are evident and lead to the hope that on the level of production, the negative aspects have been overcome and that we are moving toward the achievement of new positive levels. If the Carter administration can push American economic recovery forward, probably this will also drag other capitalist economies along with it.

But this is the economic side, which is important, but not decisive. In any case from the economic point of view in Italy, 1976 marked a considerable recovery in industrial production. Yet we saw that this was not enough to decrease the seriousness of other indices of the crisis, above all regarding the balance of payments deficits and the rate of devaluation of the lira.

In reality, today there is not so much a world crisis of demand, the classical crisis of capitalist production, such as I lived through as a youthful student in 1929. At that time there was a lack of demand and an excess of production which was manifested in sensational and disruptive ways such as the destruction of food products, many bankruptcies, and increased unemployment. The inflation of the past 2 years is different even regarding elements of rigidity in the system both as regards the capacity of multinational societies to intervene in an articulated way in various sectors and maintain a level of prices that does not decrease, as well as regards the capacity of the workers movement to defend certain levels of employment. For this reason, the classical phenomenon of inflation that has been manifested by an excess of production, the closing of factories, dismissals, unemployment and finally the drop in prices and wages,--which thus created the conditions for recovery--no longer exists.

I would go so far as to say that in Italy we have reached the maximum rigidity so that in the last 2 years we have not had a substantial decrease in employment and we had an increase and not a decrease in real wages.

These elements of rigidity impede the repetition of the classical pattern of the cycle.

From the point of view of recovery of production, it is probable that at the beginning of 1977 we can look to the future with a certain confidence; and it is evident that a recovery of production in the area of the advanced capitalist nations will also help the Italian economic crisis in the sense that export opportunities will increase; "will pull," as they say.

#### The World Picture

However, this does not decrease the seriousness of the other phenomena because today there is insufficient supply and excessive demand. The world is starving; the crisis is worldwide; it goes beyond the capitalist area and affects relationships between the capitalist area and the socialist area. Above all, at the center of the crisis there is the explosive phenomenon of the appearance on the world market of the multitudes of Africans, Asians and Latin Americans.

This evolution was favored by the mechanisms inherent in modern trade. Thus, the development of a single international market and the spread of multinational businesses which rely very heavily on publicity to stimulate demand for its products, have acted in such a way that many nations,--while per capita income is at the survival level--see a demand even for private luxury goods.

In the same countries in which elementary food needs have not been satisfied, there is a growing demand for durable consumer goods and luxury goods that cannot be satisfied by the productive potential of those nations. This demand comes mainly from the emerging groups in these societies that are still in flux, the new national bourgeoisies.

The present inflation is therefore a crisis of low production, not of demand. Typical is the example of agriculture; it is true that this year the wheat harvests were very abundant, in part making up for the losses in previous years and the lack of stockpiles. However, it is known that the 25 percent of humanity that lives on a high income level consumes 50 percent of all the world's agricultural products.

#### The Reason for Austerity

Therefore, contradictions emerge that are tied to the organization of the single world market that today is dominated by the hegemonic power and domination of the 10 most advanced capitalist nations.

The essential problems are those of trade relationships, the creation of monetary means, and therefore the function of the world agency that guarantees that these trade relations can evolve by freeing underdeveloped nations from the imposition of prices by the advanced capitalist nations.

Until these problems are solved, world inflation will continue and will end only to the extent to which this formation of a single world market also will correspond to the formation of an economic order and new instruments, including, for example, changes in the Monetary Fund. There is a need for large investment in agriculture and the infrastructure of developing nations. Without investment, there can be no development.

[Question] Does the choice of a policy of austerity for Italy come from this kind of analysis of the international crisis?

[Answer] I think the choice of a policy of austerity is the answer that not only Italy but the entire part of the world that lives on a per capita income above \$3,000 annually must accept if it wants in some way to deal with the problems of the 3 billion people who live outside of it. In any case, it will not be possible to maintain the present high levels of income in the advanced nations without a substantial improvement in living conditions of the starving peoples....

Today the Italian income level is far below the European average; we have achieved wage, social security and pension levels of a European type even though we have not raised our production to the European level. This is the fundamental point. It was a chance taken on the development of productive forces; this development, however, did not materialize and could not have materialized because of the absence of planning and structural reforms. Then, at a certain point, we felt the effects of the conflict that arises from a growth in private and social consumption that is not accompanied by an increase in production and productivity...

[Question] The communists have often repeated that they fear the Italian Government, through excessive indebtedness used to cover the balance of payments deficit, will accept a mortgage on the political future of the country. On the other hand, they favor European integration, including monetary unification which also carries conditions with it. What are the politically acceptable external conditions and what are politically unacceptable?

[Answer] The external conditions inherent in any loan are acceptable (rather, necessarily acceptable because the lender sets conditions) and are economic.... However, I do not conceal that every loan, even an economic loan, always has a political base. The political content is not so much that of not permitting communist participation in government--because I am convinced that problem will be solved in Italy and not abroad--as much as the possibility, through these economic conditions, to limit opportunities for reform precisely in the sector where it is most needed, in the sector in which we must operate more profoundly, in the sector of production relationships and structural reform. Look at the problem of the sliding scale which was used as a means to an end. Actually, it is an achievement of the Italian workers movement that has no parallel in other countries; now it is feared that this indication of the Italian workers movement will be adopted in other countries. Look, for example, at the occupation of factories in order to prevent dismissals. In this way in Italy the workers movement achieved a restriction that was fundamental for a liberal democratic society: the right to sell and buy without any restriction. In Italy today, because of legal restrictions or power relationships, many things can neither be sold nor bought freely.... These are the elements of socialism, if you will.

It is evident that these things cannot fail to make themselves felt and cause concern among capitalist leadership groups tied to maintenance of the traditional market framework. On this point, foreign influence can be very strong.

#### Loans and Reforms

Then there is also the political conditioning in the strict sense, but I believe this is not the most dangerous. Actually, we have evidence that the request for American vetoes against our participation in government always have come from Italy according to the historical tradition whereby the foreigner was always invited to Italy by Italians against Italians and it is now that way.

What, then is not acceptable? I think the limitations on acceptance of loan terms comes from an evaluation of the weight to be supported by the country's future. It is evident that debt has a limit marked by the belief that interest can be paid and the debt amortized through the development of production. This is true for an individual as it is for a country: as I see it we have arrived at a limit because the burden of other debts would threaten development of the Italian economic future because there would be fewer investment resources....

[Question] Many fear that the entrance of the PCI into government would unleash a considerable flight of capital from Italy. Does this danger exist?

[Answer] There was such a flight of capital with the Christian Democrats in government that I don't believe there is much left to flee.

However, the danger exists. I believe that the increase will not be much higher than was seen recently. However, there will be a political effort to limit such flights using legal means not employed so far.

The banks can be used in a different way to function against the fraudulent exportation of capital--let me explain: not against the export of capital in any form. We favor the free circulation of capital, free but controlled according to conditions set by law.

What we have seen in recent years, however, has been the illegal exportation of capital which also was tied to tax evasion: two blows to our national interests by a class that once more shows it is deaf to the nation's needs.

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## ITALY

### PLAN FOR REFORM OF POLICE

Milan IL GIORNALE NUOVO in Italian 3, 8, 9 March 77

[Three-part article by Renzo Trionfera]

[3 Mar 77, p 3]

[Text] Cossiga in the Far West

The Minister of Interior Francesco Cossiga is haunted by the present. He lives largely frenetic days, making him an omnipresent character in every thrilling event. Tempestuous and talkative, he appeared at the side of the policemen who caught Fascist terrorist Pierluigi Concutelli; a few days later, still going, he showed up among the carabinieri who had captured bandit Renato Vallanzasca. He has gone from one radio news program to another, from one television channel to another. He wasn't even able to ward off the TV cameras' indiscreet eye from his Viminal study as he spoke on the phone with the president of the Council, or while he tried to stop the spreading public disorder with his "No's to violence." He has always reacted to every event with an interpretation of his own or a new measure: he passed the bill to put nail strips in street barriers for control purposes (in spite of the fact that, for the present, only a couple of these nail strips have been located in the warehouses): he perfected a series of bills--greater concern for the security and prestige of magistrates, policemen, warders; more severe penalties for possessors of illegal weapons--which, in addition to being good proposals, will have both immediate and long-term effects. Provided that Parliament does not toss them into the waste basket or that they are not modified.

### Many Fronts

The minister has seen troubles and alarms of every kind raised against his open, almost goliardic pride at some of his successes. After the nightmare of Dalmine--two agents of the traffic police were killed--another crime on the freeway at Settimo Milanese: one more in the number of countless, fallen policemen, who probably would not have been there had patrol techniques

been suitable to today's reality. There is an endless recycling of common delinquents and terrorists back into society thanks to almost daily escapes and "failures to return" in the country's prisons; deterioration of the universities with sit-ins and savage destruction by ultraleftist groups; violent and traumatizing "proletariat expenses" shifted on to population centers by the commandos of political thugs. In any case, internal degradation is not the only front on which Francesco Cossiga has been forced to work. In addition to the decreasingly manageable unrest among police, there have been heated disputes within the ranks of Christian Democrat leaders over his proposals for reform, for which he thought he had the go ahead and speakers of his persuasion ready within the Chamber's group of Christian Democrats. This is not all. On the last Tuesday of February he risked playing scapegoat in Montecitorio for the government's sake, taking upon himself alone the rain of interrogation concerning the horrible events at the University of Rome. Cossiga spoke a great deal then and satisfied little. Hurried and one-sided information concerning the actual significance of the events and the many responsible persons involved, people claimed. The "unsatisfied" were in the majority. And among them was even Christian democrat interrogator Giuseppe Costamagna. He responded to the minister's long speech in the Chamber with a bitter denunciation: "the ruling class of this country, in its entirety, has lost all memory of the past and of the prospects for the future."

The intense activity that has certainly contributed to Cossiga's popularity has also noticeably increased the currents of hostility surrounding him now for some time. His desire to accomplish in 3 months what governments more solid than the present one have not accomplished--due to incompetence or laziness--in 30 years, has caused him to be branded maliciously in many political circles as a dreamer.

#### Uneasiness of the Christian Democrat Party

The chief of foreign affairs Arnaldo Forlani and the head of industry Carlo Donat Cattin have taken a firm stand against the minister, or better against his proposals, and not in a personal capacity, but rather as spokesmen for the acute uneasiness slithering through the Christian Democrat Party. Nor is the bitterness he receives from his party compensated for by the comfort of the area "outside his competence" where Cossiga has quite generously made substantial concessions. Most shocking and, to quote the Christian Democrats themselves, "irreversible is what he did last October, when Cossiga granted to the Corpo delle Guardie with one of his circulars, the right to assembly and actually unionize, in complete contradiction with the Military Penal Code and the disciplinary rule to which the Corpo is still bound.

Leftists never say thank you for what they receive. Even if it's much more than they have a right to expect. The socialist Vincenzo Balzamo--author of a comprehensive reform proposal in keeping with the traditional stand of the PSI [Italian Socialist Party]--stated with reference to Cossiga's activity that the problems of law and order cannot be solved by means of "neurotic"

intervention. "The Manifesto," perhaps alluding to the minister's frequent meetings with Communists Ugo Pecchioli of the Senate Defense Commission, and Sergio Flamigni, of the Montecitorio Interior Commission, is now calling him "sheriff Cossiga, backed by the PSI." Then, Marco Pannella, in spite of the fact that he is the supporter of demilitarizing the police, slammed the door and deserted the Commission that regulates RAI-TV. He did so to protest indiscriminate right of access to the microphones and television screens of the state network, which he blames on Cossiga.

In this confused picture of impulsiveness, enthusiasm, delusions, contradictions, the minister of the interior's inability to follow through on at least one of his responsibilities has proved fatal. The 15th of February went by to no avail, the date he had set as the deadline for presenting the PS' reform proposal which had been frozen by the DC [Christian Democrats] instead. Unrest has grown more bitter among the 80,000 members of the Corpo di Guardia which the government is now trying to face through revision and improvement of their economic situation. Whatever has been set in motion up till now keeps moving forward: the sectors of the police connected to the CGIL have continued to move down the road of fait accompli.

### Three Solutions

If the web that has been created did not involve one of the most delicate and serious problems of Italian democracy, it would deserve to be taken satirically. There is a minister who regarding unionization of the police, faces three possible solutions with an injunction against striking remaining in effect for all three: the right to associate as a union indentical to the right enjoyed by all other state employees; the same right, but tied to "registration," in other words to the scrutiny and approval of an appropriate ministerial department; a single, compulsory federation (therefore typically corporate), "part of the large unions." In other words, placed under the supervision of the CGIL-CISL [Italian Confederation of Workers Unions]-UIL [Italian Union of Labor] federation.

Then there is a Corpo delle Guardie, now militarized, which because of a simple ministry circular now holds meetings, debates within the barracks and offices and without, joining and supporting external organizations. In other words it does what the Code and Disciplinary Rules explicitly prohibit. In point of fact Francesco Cossiga's circular of last October in support of meetings should be considered as instigation to break the law. Or rather, those members of the Corpo who have supported gatherings in open contradiction to the laws in effect should be prosecuted. Even before an approved, parliamentary reform has established if and how they can unionize, some sectors of the police, even encouraged by high officials, are making the decision on their own. With the blessing of the minister, in fact, who, still insisting on the three alternate proposals, claims he has not yet decided. Something which, by the way, he does not have the constitutional right to do: he can propose, not decide reforms.

Minister Cossiga sent his message to the meeting held by 500 police representatives on the 11th of last February in a hotel in Rome (the most important speaker was Luciano Lama, at his side and agreeing with him was Gen Enzo Felsani, Commander of the Academy for Officers of the PS). He confirmed his desire to increase the pace of reform. In effect, he attributed a sanction of formal legality to the gathering. And yet those present were deliberating the "last steps for making official the police union" and initiating enrollment.

#### "A Friendly Agreement"

One of the delegates, not greatly convinced by the turn things were taking, altered an old publicity slogan to read, "Cossiga telegraphs, Luciano Lama works." The line is incomplete. The minister, after his telegram, added a public declaration to further clarify his thought. He expressed his pleasant surprise at the "maturity and sense of responsibility" with which the men of the police "newcomers to the union" handled, "the process of unionization in progress."

In Italy it is often said, and not incorrectly, that to apply and respect the already existing laws would be enough to get things running better, with no need to invoke new laws. Although the tendency to disregard policies in effect is widespread, the example of policies rendered inoperative by simple ministry circulars had remained without precedent until now. Given the prevailing wind in a state with Italian style law, certain legal subtleties are perhaps out of place. Given that this is how things are, still, why waste further time discussing alternate proposals concerning the "apoliticality" that should be imposed on the Corpo and on its union?

In matters of political freedom as well, concrete and irreversible steps have definitely been taken. Gen Enzo Felsani reacted to the DC's blocking of Cossiga's plan, speaking of the difficulties the party is creating for the minister. More explicitly, the inspector general of the PS Luigi Fagnoli said: "Anyone who expected the government to offer up reform on a silver platter was making a big mistake.... It can only end up as one of the Christian Democrat's typical "friendly agreements." If in fact, as always, we are granted so much, it is easy to forecast how certain policemen will speak when they have been stripped of their rank and of the current, so scorned rules of conduct.

[8 Mar 77, p 5]

#### [Text] Nothing but Words

A crime every 20 seconds, almost 2 million crimes reported over the year; this is a record for Italy, unsurpassed by far in Europe and perhaps in the world. That is not all. Private arsenals contain an incalculable amount of ammunition: Giulio Andreotti said recently that if the Army had had the weapons that are in the possession of Italians today, we would not have lost the war. A permanent average of one major escape daily, Sundays and holidays included, has been reached. And every day two prisoners out on leave "pardon themselves" and never return to prison. Permission for leaves continues to be granted right and left. Last year it was granted 24,172 times;

a frequency that is completely Italian. Apparently, two-thirds of all prisoners benefited, with a median number of around 25,000. Those returned to circulation have included about 30 murderers condemned to prison for life, or sentenced for decades; people now ready to do anything in order to stay alive and to avoid capture. In Aspromonte the ranks of fugitives are currently estimated at 200, many of whom would have to triple their life span in order to serve all the sentences passed on them. Generosity in this matter is incredible. Liberal delegate Raffaele Costa points out an extreme example. Among the convicts "recycled" into society, he says, "you can find even the 'king of escapes,' Alfredo Ugo from Milan. With a sentence of 12 years on his head for armed robbery, this little sovereign made off the first time from the prison of Pianosa. They caught him; he escaped from San Vitore as well. They grabbed him again; he managed to have himself hospitalized and he escaped again. For him, getting out of prison is a game. Because he is excessively sure of himself, however, he is easily discovered. And he has been captured countless times. This time he does not need to saw the bars of his cell and lower himself from prison with the traditional knotted sheet, so fashionable just now. The judge in charge grants him a leave of five plus two, just like the military: so much for the actual vacation, so much for the trip. And the "king" does not use his return train ticket.

The casuistry of similar events is dense, upsetting. In a prison in the Marche a prisoner asked to be allowed to visit his sick mother. The judge, following policy, ordered the carabinieri to conduct a brief investigation: the prisoner's mother had been dead for years. The permit was issued just the same. The prisoner returned punctually to prison. A few months passed and he asked again if he could leave to go visit a dying stepbrother. Another investigation by the carabinieri: this time there really was a sick man but he had absolutely no relationship to the prisoner. He was his brother only in ideology--far Left. The judge issued the new leave permit and the beneficiary did not betray it. He returned to prison: why attempt an escape, with all the risks that an escape involves, if it is so easy to get out whenever you want, either for reasons that don't even exist or for political matters?

#### Serious Task

As far as one can tell there has never been an investigation into these outrageous permits. Nor into the cases of people who "have not returned." Legal steps are being studied now which should enable attorneys to block some of these permits. Rather than modify the existing law and make it clearer and stricter, they are thinking up a new one, bound to complicate things. The Justice Departments are exploding under the volume of work, the 700 magistrates of the Office of the Public Prosecutor have to head investigations of more than 2 million crimes registered every year. They are being given another serious task. How can they possibly perform it effectively?

Statistics, even if they are dry, are uniquely valid for indicating the fundamental aspects of certain situations. In Italy there is an average of

one kidnapping per week: men, women, children. Now they are even snatching corpses. Sardinian Deputy Pietro Riccio has melted into nothingness and no one remembers him any longer. In only less than a third of the cases are the masterminds of these highly profitable crimes discovered. Johann Benedikter reminded Parliament that last year there were 4,306 robberies at gun point--more than a dozen per day--with 59 victims killed and 106 wounded. Scarcely a fifth of those responsible have been apprehended or identified. The results from legal investigations have fallen to their lowest level: in 1969, when the police still had the right to interrogate people who were under arrest or being detained, in 53 percent of the cases, those responsible for the crimes were discovered. Now that only the magistrate can interrogate, leaving the police and the carabinieri outside the door, the figure has fallen to less than 20 percent.

Although it seems a long time ago, it was quite recently that the murder of a commissioner, or of a carabinieri or of a policeman shook and upset the political authorities as well as public opinion. People took up collections for the families of the dead. "Now that the number of victims is frightening," says one high official, "deaths among law enforcement officials have become nothing more than numbers in the startling statistics of Italy. The authorities have more wreaths, condolences and funerals than they need. The citizens have their dismay, the widows and children their tears; when and how will the central administration remember them? Now there is hope that bands of nails on the freeways are enough to stop trigger-happy criminals with tommy-guns. There is nothing in the way of technical revisions of our antiquated systems for police investigation and intervention."

At the beginning of the year--observing the recurring ritual that has little effect on "appropriate authorities"--the attorney generals painted an electrifying picture of the Italy of today. A short while later, however, Minister Cossiga declared, "the country is going to make it." Under what conditions, with what hopes? "Not out of semantic pedantry," says the same official, "many of us wish the minister would clarify the meaning of his preemptory proposal. He spoke to your newspaper last Sunday about the union, about what he would be able to accomplish immediately if the reform goes into effect, of what he otherwise couldn't keep in check even until tomorrow. Many of us--perhaps many members of his own party--are waiting for him to clarify the reasons which have led him to reverse the 30-year-old position according to which every minister of the interior has always seen demilitarization of the Corpo delle Guardie as extremely dangerous."

"Those of us who work to maintain law and order," says one commissioner who serves in a warm city, "would like it if the minister didn't consider us just objects to be used for political compromises. We wish he knew more deeply the daily reality in which we live, in which Italians, above all, live. According to the minister, the country is going to make it and each piazza is not his cross to bear. And yet, in the big cities, fear has dictated a kind of spontaneous curfew. By any chance, has the Honorable Cossiga ever walked alone at night through the Gallery of Milan? Has he ever

gone after sunset, not in disguise and without an armed escort, into one of those Roman neighborhoods--San Basilio or Primavalle, just to cite a few--where the normal police patrols no longer dare to go at night? Does the minister know that almost all the police who work for the Interior in the evening put on civilian clothes when they go home?"

Many segments of the police--those against political unions--make no attempt to hide the distress they feel at "Cossiga's management of law and order." "The minister," they say, "has always claimed that the state has the exclusive right to maintain security and order in the country. He repeated this principle of his even in the tragic business of Re Cecconi. Then contradicting himself he gave legal sanctity, he even found merit in certain partisan troops. He allowed a private patrol of at least 1,000 men furnished by the Communist Party and by CGIL to enter the University of Rome--occupied and half-destroyed by metropolitan Indians and by 'freaks.' Whose order but his nailed down the real police, the police of the state, outside the gates where they became lifeless spectators? Who managed things so that our police completely relinquished its fundamental responsibility--the one it has in every country--to prevent criminal offenses where and whenever possible? Considering the turn of events, we conclude that in the 'real' police reform and in restoring legality, working class militia will end up playing a part as well."

#### Hazy Remedies

There are highly qualified policemen who are not enthusiastic about the reform maturing with difficulty. They prefer, instead, to point out their concern for the impromptu quality of some measures and for the remedies--described as hazy, uncertain, demagogic--which attempt to cure profound security problems. "We have the feeling," says one officer, "that someone has unleashed a strong wave of destruction without the slightest idea of what sort of new building to put up." The typical Italian procedure is to rely on improvisation and infatuation. No one takes into account the numerous negative results that are piling up. Just look at what has become of the secret service, forced to live under provisory measures since 1974. Not even its members any longer know what SID [Defense Intelligence Service] is or what function it serves.

"The same precarious climate has now been created in the police force. It's a fact that the problem of law and order cannot be solved by stripping the Corpo delle Guardie of its ranks or by leaving them as they are. Or by handing the police over to the triple union, insisting perhaps that it is now too late to avoid this highly risky operation. The state is currently engaged in a great battle against heightened, degenerative forms of society: each battle necessitates establishing a precise strategy. Cossiga's reform is proposed in its place instead. How many of our problems haven't been made worse with Italian style reforms?"

[9 Mar 77, p 5]

[Text] Towards a Slow Demolition of the State

The diagnosis that some sectors of the police make of the current state of public disorder frequently ends up becoming an indictment of the mistakes, the laziness, and the impulsiveness of the political powers that be. They say there are many complex concomitant causes which have led to the situation the country is in: no one has ever confronted the problem in its totality. And yet, in the past, highly qualified technicians suggested the formation of a powerful committee for security; separated from the police, from its crises and from its compromises, it would have been able to develop, while there was still time, a comprehensive network of legislative, technical and working tools for adapting the police system to the needs of modern society. "The idea found no support in the political realm," says one high official. "It was preferable to continue with the same old system of one day at a time, one case at a time. The competition existing on the functional level between various departments has been allowed to spread: Interior, Defense, Justice, Finance have in reality always refused to play the game as a squad. Each one has worried about maintaining its own autonomy, strengthening and broadening its own prerogatives."

#### Inconveniences

One of the most obvious results of this policy was the penitentiary reform, launched without any guarantee that the general plan included adequate measures for security both inside the prisons and without. The results are apparent. It was correct to humanize the penalty, just as it would have been human not to dump the negative effects on society. Today the prisons are in chaos. Weapons are circulating, the powerful groups inside are stronger and more violent than before; there is murder, theft, recruitment of workers for future criminal behaviour of both the general and political variety. After months of puzzling over the possible use of specialized detachments of the army, Gen Carlo Alberto Dalla Chiesa has now been made responsible for coordinating security and surveillance inside and outside the prisons. "At this time it should be necessary," observes an Armed Forces official, "to strengthen and not to weaken law-enforcement forces; instead a segment is diverted in order to handle tasks that should have been entrusted to others. Thus--the official adds--two goals are achieved, one of which is not mentioned. The situation in the cheerful Italian style prisons is dealt with, and at the same time this removes from the scene a high official of the carabinieri, a man in the way of certain 'committed' judges and of the revolutionary far Left because of his successful attacks against red gangs."

"The Italian police," observes an inspector general who has been out of the administration but a short while, "is or should be governed only by the Consolidated Act of Laws on public security. This Act is almost half a century old, passed by Fascism in 1931. During 30 good years of the republic

no one could replace it with a new law. The endless sentences handed down by the Supreme Court--suppressing articles in spite of the fundamental charter of the republic--have almost destroyed it completely. Today, the Act has been reduced to a sort of colander: the legislative power has pieced it together here and there, but without managing to hide the most obvious holes. The police have been stripped not only of their emergency powers but of all powers. Ours is the only police in the world without the power to interrogate someone under arrest. It's truly amazing that they still have their weapons, since until a few years ago, the socialists in government and the Communists in opposition shouted in harmony for disarmament. Today the Communists are quiet on the subject. In fact they are asking for a stronger police. The truth is that the submissive attitude of many governments and many ministers has transformed the police from 'the enemy of the people' into territory to be conquered. An extremely easy conquest, now: it is the executive power that hands the Corpo delle Guardie over to the triple union and in its behalf, to Luciano Lama."

As for reform, urgent criticisms are the response to the minister's enthusiasms. A flood. "It was more than fair," says a chief constable, "that the incumbent in the interior finally had to pay attention to us and to our problems as well. For decades we have been seen if not exactly as flesh for the cannons, certainly as flesh for bullets, molotov cocktails and spitting. For us, a wise reform would have meant a thorough and fair revision of the economic factors--never commensurate with the risks inherent in our job--of work schedules, of careers. Then it would have taken only one little law restoring the power to the police that it has elsewhere. The ministerial proposals in circulation--two or three different outlines are going around--have more the flavor of revolution than of revision. First comes the destruction of everything, as usual delaying setting up the new corps until later. The head of the police disappears--the chief technician, that is--and the constables disappear. The policemen are stripped of their ranks and are all placed 'under the direct orders of the minister.' Who in fact becomes the minister of police. Not another word is mentioned concerning the undersecretary with delegatory powers. Reality is codified: delegatory powers are still entrusted to Undersecretary Giuseppe Zamberletti who has, however, been left completely out of the reform. They say he doesn't agree with Cossiga. Could be: he knows our problems and can't become enthusiastic about what is alarming us. The expectation is that we will be transformed into a government police force, controlled by the regions and the municipalities, which is what Communist Flamigni's proposal calls for."

#### Dismantle

"In the ministerial draft there is no longer any mention of service, of security, or of antiterrorism or whatever. So who will take the place of secret agents, presumably indispensable to every organized police force. Nor does anyone mention scientific police and border police. 'We'll see about it later'--this is the watchword. And the administrative police will be dismantled as well, to remain on call. The issuing of passports is supposed

to pass into the hands of the municipalities: they will thus acquire the specific value of the political color of the person who requests one and of the issuer. There are many identification cards in circulation on which the ideology of the bearer has been falsified. The same will happen with passports. And even people who should not leave for reasons of the Penal Code will leave the country."

"The idea of transforming the 80,000 Corpo delle Guardie into an equal number of policemen of the English variety," says a young vice constable, "is attractive. Who wouldn't like to see policemen on foot or on horseback wandering through Italy like those of London? But we lost sight of the fact that each 'policeman' is shaped by rigorous training and enjoys authority and benefits which are unknown here. We look beyond the borders and we lose sense of the bitter Italian reality. Of the superficial way we recruit, that is, of the inefficiency in the field of professional instruction. We forget that our police receive an almost exclusively military training. Strip away their rank, but they remain 'civilian military.' Elsewhere riots are handled by the military: in England by a carefully chosen army, in France by the Gendarmes, in America by the National Guard. What will become of the antiriot squads? How can civilians, even if they are armed, be commanded in military operations, like urban guerrillas?"

"In the proposal under study," continues the same official, "there are serious gaps. By demilitarizing the Corpo delle Guardie its components automatically are placed in the same position as the current civil officers. Who are forbidden to keep arms of war. They are also required to report weapons they have been issued (a pistol of no higher calibre than 7.65 for facing bandits who often are holding a tommy-gun). The current weapons of the Corpo delle Guardie are typical of war; clubs are improper weapons; tear gas bombs are 'aggressive chemicals' which by law only the Armed Forces can use. The ministerial proposal offers no clue to the defensive and offensive resources which will be allotted to the State Police Corps of the future. Since there is no clear rule it must either be a question of semidisarmament of the Corps or making its members answerable to the authority of certain magistrates, who could report them for keeping prohibited weapons. And there is no shortage of judges in Italy who are ready to jump on the police."

Confusion is widespread concerning the topic of unionization because of the contradictions apparent between written proposals not yet in effect, and the minister's actual policy. The police are forbidden to strike, then it is agreed that unspecified "third parties" can strike for them. It has been observed that "if one day, justly or not, metal workers descended into the piazza for vindication, if accidents happened, how would the policemen feel about keeping order vis-a-vis people who are demonstrating on their behalf?" Exponents of the Autonomous Committee for Police Defense--which supports the independence of the Corps from all political influence or power--say that the Italian tune never changes: we say one thing, we do something completely different. "The Cossiga proposal," he underlines, "provides for prohibition of membership in parties, of involvement in political activities, of merging the police union with other 'union organizations that are expressions of or that are in any way connected to parties.'"

## Free Hand

"But the minister, up until now, ignores our autonomy and has given a free hand to those forming 'a single union belonging to the CGIL-CISL-UIL federation.' He has already decided on his own that the large union associations have no political 'ties.' According to the minister, CGIL which has two Communists at the top is apolitical. He's the only one in Italy who believes it. Or who seems to believe it, which is worse. In effect present policy doesn't help to strengthen the police but to politicize and to dismember it. This is what some political groups want, even if they've stopped saying so. They have started with us. The others' time will come later. The carabinieri, to be perfectly open about it. It was announced in advance by Communist Aldo d'Alema to Arnaldo Forlani, when he was still minister of defense. 'It's time to think about these damned carabinieri.'" "The destruction of the state, in effect, continues at a fast pace," says a general with a 30-year career in the police force, "perhaps we have come without realizing it to the 'final' axe blows."

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CSO: 8028/0977

## NETHERLANDS

### RESIGNATION OF GOVERNMENT, CONTROVERSIAL LAND REFORM EXAMINED

Zurich NEUE ZUERCHER ZEITUNG in German 24 Mar 77 p 1

[Text] The Netherlands government finally foundered Tuesday on differences of opinion over land reform policy. The Social-Democratic prime minister, Den Uyl, announced before Parliament that evening that he had tendered his resignation to Queen Juliana after the six ministers of the two Christian-democratic government parties had announced their resignations in the afternoon. With that, the unity of the Christian-democratic parties proved to be stronger than the government coalition. On Tuesday, it had first been expected in The Hague that only the four Catholic People's Party (KVP) ministers would withdraw from the cabinet, while their two colleagues from the equally confessional "Antirevolutionary Party" would remain in the government.

An atmosphere of crisis had already hung over the government alliance of three socialist and two Christian-democratic parties for more than 2 weeks. The conflict over land reform policy, which was fought out first of all between the progressives and the Christian-Democrats, erupted into an open fight on the weekend between the two Christian governmental parties that intend to present themselves to the voters in the approaching parliamentary elections on 25 May in alliance with the opposition Christian-Historical Union (CHU) for the first time in a solid grouping--the "Christian Democratic Appeal" (CDA).

#### Christian-Democratic Divergencies

Justice Minister Van Agt, who is also a leading CDA candidate, had demanded far-reaching concessions from the socialist government partner in a television interview on the weekend, otherwise the cabinet had to fall. Social Minister Boersma from the Antirevolutionary Party (ARP), who had restrained himself in the conflict to this point, dissociated himself thereupon--also on television--from the remarks of his colleague in the CDA and declared explicitly that Van Agt had not spoken in his name. Boersma is considered to be a politician who positively opposes the Socialists' ideas of reform. In 1973 it had been thanks to his energetic intercession, above all, that Den Uyl's cabinet materialized after protracted deliberations.

The fraction chairmen of the three Christian-democratic parties made efforts at the beginning of the week to prevent a breakdown of the CDA after it had become clear in cabinet sessions on Monday and Tuesday that an agreement on land policy had to fail because of the obstinate demands of the KVP. In KVP circles, preference was given more and more to a cabinet crisis ahead of a possible agreement because it was thought that a compromise would be interpreted by the voter, in any case, as a defeat for Van Agt. Personal feelings might also have played a role for Van Agt because the minister frequently had been harshly attacked by the Socialists in parliament, ultimately because of his conduct in connection with the flight of Pieter Menten, the millionaire under suspicion as a war criminal.

#### Uncertain Election Prospects

Until last weekend, no one in The Hague had expected that it would come to a rupture of the coalition because not only among Progressives but also among Christian-democrats there was great preference for continuing the government alliance after the elections too. With the overthrow of the government, a new edition of Den Uyl's cabinet after the elections would be extremely unlikely. But even an alliance of Christian-democrats and liberals could become difficult if the most recent opinion polls should prove to be true, which make a definite majority for the Christian-democrats and liberals following the elections appear doubtful. A coalition between socialists and conservative liberals is decisively denied by both sides.

#### Disputed Land Value

In the arguments about land policy, it was essentially a question of the compensation to be granted owners of uncultivated pieces of land in an expropriation by the communities. The draft bill submitted by the cabinet to parliament considered the compensation according to "intrinsic value," supplemented by several concessions which should avoid obvious injustices. In the parliamentary debate, however, the corrective measures provided did not appear adequate to the CDA deputies. They demanded additional compensation which, in the opinion of the Socialists, finally came very close again to the market value employed today. Justice Minister Van Agt, after initial hesitation, agreed completely with the considerations of his party friends, although the criticized draft bill had been worked out under his coresponsibility and had been signed by him. The Socialists were not prepared to deviate very far from intrinsic value, which was supposed to be introduced in order to put a stop to land speculators who rely on the expropriation for market value. Land policy reform was one of four reform laws on whose passage before the elections the progressive government parties had placed special value.

## SWEDEN

### SWEDEN ANTICIPATES USSR OPPOSITION ON BALTIC FISHING ZONE

Stockholm DAGENS NYHETER in Swedish 25 Mar 77 pp 1, 26

[Article by Sven Hallen]

[Text] Within 1 week or possibly a couple of weeks the government will ask authorization from the Riksdag to open negotiations with other Baltic states regarding the move the Swedish fishing-limits out to the mid-sea line.

Soviet demands for the mid-sea line to be drawn at Gotland may cause negotiations to become long and drawn-out, but nothing prohibits the indisputable borders from being determined quickly. Such extended fishing-limits would double the supply of fish available to the Swedish fishermen, who already are hard pressed for fish in the North Sea.

Last Thursday during a discussion of this very matter, organized by the Institute for Foreign Politics, these were some of the facts presented; facts which may not be altogether official, but very close to it. In fact, according to the Swedish Department of Foreign Affairs, invitations to negotiations concerning fishing-limits have already been sent to the Eastern states who are pursuing the most heedless industrial fishing in the waters concerned--the Soviet Union, Poland and East Germany.

Director General Lennart Hannerz from the Fisheries Administration opened the discussion by pointing out that the overfishing which already has ruined the herring-fishing in the North Sea and led to a ban on fishing in these waters, now may also begin to threaten the Baltic Sea cod. This threat to the Baltic Sea. The fishing industry, which specializes in fish flour for cattle-feed, concentrates on species which rarely are used for human food, to be sure. However, the fishing is done with nets which are so fine that they pull up fry of edible fish in great quantities. In this way the fishing industry is also diminishing the more valuable supplies of fish.

#### Protests

According to the so-called Gdansk Convention, which distributes fishing quotas among all of the states bordering on the Baltic Sea, Sweden's quota has become so small that it has led to protests. This has also resulted

in a complete turnabout among Swedish fishermen, who used to be afraid of losing their fishing waters along the Eastern and Southern coasts of the Baltic Sea.

Since it seems impossible to reach a fair agreement voluntarily, the Swedish fishing waters will have to be extended.

The Fisheries Administration estimates that if Swedish fishing waters were extended to the mid-sea line of the Baltic, Swedish fishermen would be able to catch 124,000 tons of herring, 55,000 tons of sprats (anchovies), 35,000 tons of cod and 1,500 tons of salmon per year, or more than twice as much as the Swedish fishermen operating in the Baltic Sea catch now.

The condition of mid-sea line agreement will, however, quite certainly consist in considerable and prolonged fishing concessions to the Eastern states, especially the Soviet Union. The change will be difficult for the Swedish fishermen also, especially for those fishing in West Swedish waters: the idea that coastal fishing would be able to replace deep-sea fishing is totally unrealistic.

#### Grey Area

Captain Carl Erik Hedin, from the Central Organization of Swedish Baltic Coast Fishermen spoke in favor of as speedy a move of the fishing-limits as possible in order to ease the pressure, which the large Eastern fishing-fleets now put upon the limits of the Swedish territorial waters. This is done by the help of as many as 100 trawlers with mother ships which together form a sweep that now and then clean out all the fish from the sea. The disputed limit east of Gotland could possibly be left for further negotiations as a "grey area," while the limit as for the rest could be settled--this way it would be possible to shut out the Eastern fishing-fleets which now are cropping up in the Gulf of Bothnia.

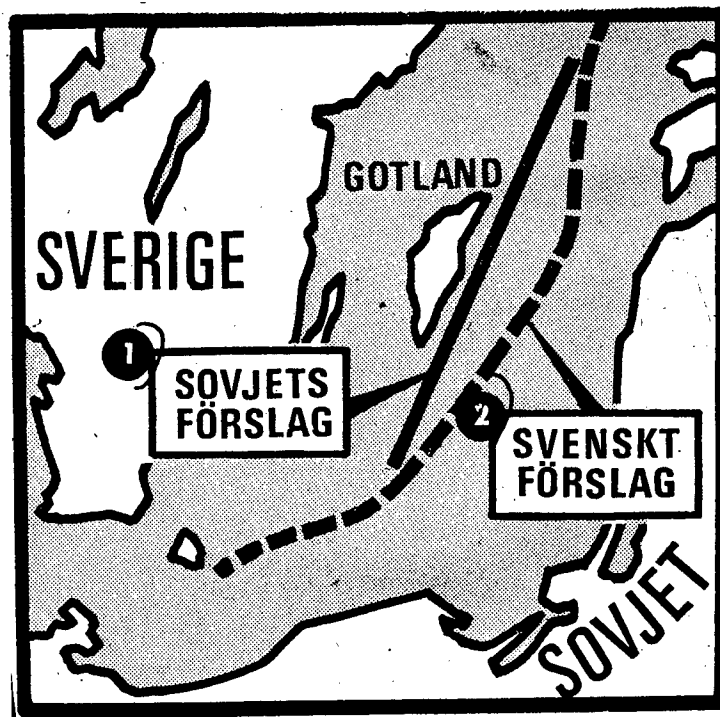
The enlarged Swedish fishing-waters would also render good articles of exchange in negotiations concerning increased Swedish fishing, with, among others, the North Sea states.

Assistant Secretary in the State Department, Bo Johnson, who is knowledgeable in the field of public international law, stressed the fact that Sweden always has claimed the liberty of the sea. He also still hoped for international maritime laws. But at the moment the pressure against the Swedish fishing industry has become so great that we have been forced to look after our national interests. Even with a mid-sea line we still will not reach the fishing-limit of 200 nautical miles out from the coast which a number of states, like the Soviet Union in the Arctic Ocean and in the Pacific Ocean, already claim.

#### Surveillance

Member of Parliament Rune Johnson (from the Center Party), who spoke for the minister of agriculture, who was unable to attend, concurred but

pointed out that unless the new sea limit is possible to supervise it will not be respected. And Ulf Lonnquist (Social Democrat), ex-under secretary of state from the Department of Agriculture, called for a unanimous declaration from the party in this particular question in order to add some weight to the negotiations. Officer Roland Engdahl, as head of the Coast Guard, promised to provide an estimate for the extra forces that would have to be brought in to guard the extended fishing-waters. The costs for this have not yet been determined, but would probably not exceed 5 percent of the gains from the fishing. The bill should be ready by 1 May, he promised. Norway is right now investing exactly 1 billion to improve its Coastal Guard.



- 1) Soviet's proposal
- 2) Swedish proposal

8901

CSO: 3109

SWEDEN

PRC COMMUNICATIONS MINISTER TO VISIT SWEDEN IN MAY

Stockholm DAGENS NYHETER in Swedish 23 Mar 77 p 9

[Text] The Chinese Minister of Communications Yeh Fei will travel to Sweden for an official visit at the beginning of May. It will be a return visit in response to the trip Swedish ex-Minister of Communications Bengt Norling, made to China last year. Yeh Fei, heading a delegation of seven persons, will arrive in Sweden on 9 May and will stay for one week. A detailed program has not yet been worked out, but the Chinese have expressed a desire to study road construction sites, docks and shipyards.

It is rather unusual for a Chinese minister to travel to Europe and it is even more remarkable that the visit will take place already this spring, since the domestic political situation in China is still somewhat unclear. The only Chinese ministers who visit Europe now and then are the Minister of Foreign Affairs and the Minister of Foreign Trade.

Yeh Fei became Minister of Communications in January 1975. His career within the Communist Party has been both long and meritorious. He led guerrilla operations in his native province, Fukien, as long ago as the late 1920's. During the entire civil war and during the war against Japan he held different positions of military leadership. Like so many others, he was severely criticized in connection with the cultural revolution, as he was thought of as a "capitalist wanderer" and as the Chinese "Khrushchev agent in the province of Fukien."

8901

CSO: 3109

SWEDEN

SWEDISH WOMAN LABELED AGENT IN USSR PRESS

Stockholm DAGENS NYHETER in Swedish 19 Mar 77 p 29

[Article by Disa Hastad]

A Swedish woman, named Gabriella Oxenstierna, was arrested Friday for the second time in 4 months, according to the Soviet press. Gabriella Oxenstierna is a university graduate from Upsala and was formerly employed part-time at the Swedish Consulate in Leningrad as a translator, while studying at the university there. The Leningrad evening paper VETJERNYJ LENINGRAD published, apparently without actual reason, an attack on the Slavic mission in Sweden, which pointed out Gabriella Oxenstierna personally and treated her harshly. It claimed that she was an agent for this organization.

Whenever possible, and in various different ways, Oxenstierna was to send to the Soviet Union brochures and other material of the kind, "which is baked in the kitchen of anti-Sovietism," to quote the metaphorical language of the paper. Many times tourists traveling from Sweden to Leningrad have been stopped because they have carried such anti-Soviet or religious brochures, says the paper.

The paper also accuses Oxenstierna of not having carried on any research although that was the reason for her being here since 1970. Instead she was only to have engaged in religious discussions.

The article also reminded its readers that Oxenstierna and a woman friend of hers had been sent away from Tallin last summer for having carried religious literature. Oxenstierna then supposedly protested, saying that the Soviet Union was violating the UN-declaration concerning human rights. The paper TRUD wrote about this last Christmas.

Sometimes the Soviet press will publish articles like this about people who are in the country and who have violated, or supposedly have violated, the laws of the country. They are probably meant to warn other tourists. Or this may be the Soviet brand of sensational journalism.

8901

CSO: 3109

SWEDEN

IMPACT OF NUCLEAR CRISIS ON GOVERNMENT EXAMINED

Falldin's Nuclear Dilemma

Stockholm DAGENS NYHETER in Swedish 18 Mar 77 p 10

[Article by Sven Svensson]

[Text] New elections or not, that is the question for Thorbjorn Falldin who is sick in bed at his Ramvik home while Per Ahlmark rules the country on a trial basis.

But nuclear power has not yet made its way through the walls of the government offices. Discussions are heated in the mass media. Meanwhile the social democratic opposition is sharpening its ears.

However, the government coalition must soon break the seal of silence. Energy Minister Olof Johansson is busy collecting material. Next week he is due to present the question of credit guarantees for Oskarshamn 3 and Forsmark 3 to the entire government, including the sick Falldin and Bohman the skier. The existence of the Swedish nuclear industry is at stake. If Oskarshamn 3 and Forsmark 3 are discontinued Asea-Atom, Stal-Laval and Uddcomb must wrap up business forever. The same goes for a number of smaller suppliers.

Marked By Destiny

The government's decision will therefore be marked by destiny in more ways than one. On one side is the question of Falldin and his new treachery, and on the other side the 44-year old social democratic power tenure. If it turns out that the non-socialist three-party coalition was nothing but a short-lived parenthesis, the guilty party will never be forgiven by the common citizen voters.

Is the Center Party united behind the idea that it is better to hold new elections than to stumble onward on the thorny road of nuclear power compromises?

The Center Party cabinet ministers will of course reason their way to a joint decision. But it is doubtful that the present viewpoints of Thorbjorn Falldin, Johannes Antonsson, Anders Dahlgren and Olof Johansson are identical.

It is being said that Antonsson is waiting to replace Falldin as leader of the party. Antonsson has been a member of the board of Sydkraft, and he has helped make decisions concerning several nuclear reactors. Dahlgren has been a member of the board of Sodra Sveriges Skogsagare [Forest Owners of Southern Sweden] which buys electric power from Barseback. And Industry Minister Asling can hardly feel indifferent towards the destiny of the Swedish nuclear industry when problems are accumulating for the shipyards, the special steel, the commercial steel etc.

#### Incomparable Disaster

There must be varied attitudes towards new elections even within the Center Party's parliamentary group. It would be an incomparable disaster if the non-socialist three-party coalition were to rule itself to pieces in a few months. And the prime minister would be most likely to appear as the scape-goat.

I am sure it is true that many, many members of the Center Party have let their voices be heard and screamed for new elections. The voices of the militant are always heard; never those of the uncertain or modest ones.

It is more than doubtful that the entire election body of the Center Party should unite unanimously behind a demand for new elections.

Many of those who voted for the Center Party were voting for Falldin just to get rid of Palme. These voters looked upon the Center Party as the largest opposition party, and they cast their votes where they believed the chances were best to obtain a government change.

#### Difficult Dilemma

The dilemma of the Center Party is therefore exceptionally difficult. For one thing Falldin must make new compromises in order to keep the government together, and this will place the Center Party in a confidence chasm for maybe decades to come. The other possibility is to hold new elections, but if the Center Party gets blamed for the fact that the first non-socialist government in 44 years failed disastrously its lot may be identical to that of the Liberals in Denmark: Half of the voters will desert them.

But the nuclear issue will return again and again during the next 6 months, and it is too early to deliver a prognosis. As for new elections, the fact is that Falldin is a gambler and sometimes stubborn as a mule. And according to our constitution, the final decision regarding new elections must be made by the prime minister alone.

## Nuclear Issue Critical to Government Survival

Stockholm DAGENS NYHETER in Swedish 20 Mar 77 p 2

[Text] The Center Party has engaged itself strongly in a disarmament policy in the field of nuclear power. The attitude of the party is that those reactors presently under construction should not be put into operation since it is presupposed that the stipulations of the conditional proposal cannot be fulfilled in detail. The parliament majority, which includes two of the government parties, takes a different attitude and feels that at least about 10 reactors are needed to cope with the electricity demand of the near future. It seems impossible to combine these widely different attitudes as long as each compromise made by the Center Party is regarded as treachery. The problem at present appears to be just as unsolvable as that of making a circle into a square.

The government coalition knew from the beginning that these problems existed. It has also become obvious that the nuclear power question could easily develop into a cancer unless it is handled politically correct. This cannot be done if every new phase is to be met with improvisations and internal struggles which wear down the cooperation and gives the impression that one crisis is followed by the next.

It is illustrating that we now have a debate about new elections because a decision must be made shortly regarding Oskarshamn 3. It is really not a question of a dramatic decision, since the power plant group suggests a delay until 1978 and meanwhile is satisfied to continue the project on a saving basis. The atmosphere is a bit overheated when dealing with even such a matter triggers a feeling of crisis.

The idea of new elections is a casual debate suggestion without a reasonable political basis. It does not seem justifiable. If Falldin announces new elections in connection with the nuclear power question he will tie himself even closer to this matter, isolate his party completely and have smaller chances than ever to influence a solution of the nuclear power problem, even if the party should obtain a few extra seats in parliament. Falldin's chances to remain leader of the government would be small, even if the non-socialists should win the elections. Should the Social Democrats win, the Center Party supporters among the non-socialist voters will appear responsible for the failure of the non-socialist government, and they will in 1979 reap the same experience as Hartling did in Denmark: easy come, easy go. On closer examination, new elections cannot seem a tempting solution to the Center Party strategists.

Another possibility is that the party simply resigns from the government, thereby demonstrating its unwillingness to compromise election promises. But leaving a non-socialist minority government for the remainder of the election period would of course be regarded as a defeat of the alternative idea. Such a government would also have greater difficulties in mastering the economic problems. This is also not a good solution.

In our opinion, the best political solution to the difficult internal struggle is that the question of nuclear power becomes neutralized during the present election period, if possible. It can be done as an agreement within the government, with the experiences which have been made so far as a guideline, and with a goal to keep the freedom of choice but not make a decision to charge new reactors or start building reactors numbers 11 and 12, which from the Center Party's point of view would be letting the voters down.

The main point of such an agreement would be the postponement of a definite decision regarding the nuclear power question. Up until now the aim has been to let the 1978 parliament make that decision. If this aim is altered by postponing that decision till after the 1980 elections there will hardly be any obstacles to a political neutralization of the nuclear power question during the present election period.

Not only political suitability but also strongly practical reasons favor a delay. The Energy Commission has been given only one year in which to penetrate the complex question, and there is no doubt that its task would be made easier if a report would not have to be presented until the spring of 1979. Intensive research efforts regarding the nuclear waste problem have been started in many fields, and there are increased chances of reaching a safer judgment if the decision can be put off until 1980. One will also at that time know more about the development of the electricity situation in the various economic strata, and about the actual possibilities of saving.

A postponement may of course cause several inconveniences; a certain cost increase in connection with damage claims, employment disturbances and a couple of years with a lower security margin as regards the electricity supply. However, these circumstances should not be exaggerated, but ought to be seen in relation to the advantages of a delay.

We can understand those who dislike the thought of yet another election in the sign of nuclear power, but in reality it would make possible a matter-of-fact connection point between the parties' policies and the proposal which should be introduced a few months prior to elections. Even the Center Party might by then have had experiences in a government position which could motivate a more diverse attitude and a greater willingness to compromise than it showed during the previous election campaign. It is fully legitimate and no treachery if the party in the next elections should present to the voters a somewhat revised attitude regarding the facts which have surfaced. Maybe the government parties can then agree on the compromise which seems impossible to effect now.

The strongest reason of them all for a neutralization of the nuclear power question is that the energy of the government parties thereby can be concentrated on stabilization and employment policies. We cannot afford a split which threatens to paralyze, or at least seriously hinder government work in fields which are presently regarded to be of the most vital importance. The government parties should therefore as soon as possible agree on a line of

action which will eliminate the risk of internal discord as far as the nuclear question is concerned for the remainder of the election period.

### Poll Explores Parties' Strength

Stockholm DAGENS NYHETER in Swedish 26 Mar 77 p 3

[Text] The result of new parliament elections today would be a tossup. Television channel 2's report on a voter poll which was taken in the month of March shows that the voters have become more uncertain of which party to vote for. The estimates point to a majority for the socialist block (Social Democrats and Left-Wing Communists), but the Left-Wing Communist Party is 4 percent below the margin. The only obvious change since the January poll concerns the Social Democrats who have advanced strongly.

The percentage of voters who do not at all know which party to vote for has increased from four to seven.

Considering the voters who have indicated open sympathy for the five parliament parties, the following changes have taken place: Social Democrats 49.2 percent (+2.5), Center Party 22 (+0.6), Liberal Party 7.5 (-0.9), Moderate Coalition Party 13 (-0.2), Left-Wing Communist Party 2.1 (-0.4).

If those voters who are in doubt are considered, the figures look like this: Social Democrats 51.2 (+2.4), Center Party 26.3 (-0.7), Liberal Party 10.5 (-3.0), Moderate Coalition Party 15.5 (0.7), Left-Wing Communist Party 2.4 (-0.6).

The doubting voters are to be found among the non-socialists, as usual, particularly among the Liberals. It is furthermore evident that the split in the Left-Wing Communist Party has had little effect on the cadre of voters.

If we divide the parties into two blocks, the socialist block gets 51.5 percent (+2.1) and the non-socialist one 45.5 percent (-1.9).

The Left-Wing Communists would not obtain a seat in parliament, but the figures indicate that the Social Democratic Party alone would be larger than the non-socialist parties combined. In the estimate those having doubts between two or three parties are regarded as sure sympathizers.

The popularity of the party leaders among their own voters was also explored. Palme and Bohman received the highest figures, more than 43 percent. Falldin and Ahlmark received about 25 percent, while Werner stayed a little under 10 percent.

Earlier experience with this kind of poll shows that the Social Democrats receive higher figures and the Left-Wing Communists lower figures than what corresponds with reality.

## TURKEY

### BRIEFS

ELECTION AIRCRAFT--In order to meet with transportation needs for the upcoming elections Turkish Airlines (THY) has negotiated with foreign aircraft companies for the rental of 20 and 60 person capacity planes. Turkish Airlines General Director Nerrudin Erguvanli announced: "The planes needed by the Justice Party and the Republican People's Party for use in the upcoming election campaign will be available from THY." [Istanbul MILLIYET in Turkish 9 Apr 77 p 7]

WORKERS IN LIBYA--Libya's Minister of Immigration Muhammed Mangus announced: "In two years 15 thousand Turkish workers have come to Libya. Their numbers will soon reach 100,000." He went on to say: "In an agreement made with government representatives in Ankara the decision was made to build a shipyard through a cooperative bank, having 15 million Lira in capital with a central office in Istanbul. [Text] [Istanbul MILLIYET in Turkish 9 Apr 77 p 6]

CSO: 4807

WEST GERMANY

MARBURG DKP INVITES SPD TO JOINT ACTION AGAINST CDU

Duesseldorf UNSERE ZEIT in German 31 Mar 77 p 3

[Text] On 28 March 1977 the Marburg DKP and the DKP city councilors addressed an open letter to the Social Democrat city council group. We are reprinting the letter verbatim:

Following the municipal elections of 20 March, which brought distressing gains to the party of Dregger and Wallmann in Hessen, we Marburg communists are writing this open letter. We are sure that this is the precise moment when calm and comradely discussions between communists and social democrats are imperative. It is precisely now that we need a reasonable discussion of the causes and roots of the CDU's gains in Hessen. It is more urgent than ever to find an answer to the question how matters are to proceed in our city and our Land.

"Marburg Showed That the CDU's Advance Can Be Halted"

We consider particularly significant the election result in our city. Marburg showed that the CDU's advance can be halted. In our city the CDU was unable to achieve any gains; on the contrary it suffered losses. That pleases us communists and all those who are concerned about peace and progress in our country. We certainly do not mean to be immodest but we do assume that the CDU's losses are in part due to the DKP's operations in our city. The Marburg result confirms the fact that the candidacies and the operations of the DKP are not only in the interest of the working people and do not injure the SPD but actually represent an important prerequisite for restraining the influence of the CDU.

We also want to point out the following facts: The result of the Marburg municipal elections of 20 March represented at the same time a vote against the grand coalition between SPD and CDU. The CDU's loss of votes must be considered a rebuff to those SPD politicians who sponsored the grand coalition in Marburg.

## "Democratic Turnaround by Cooperation of SPD, DKP and FDP"

Even SPD members obviously wish for the dissolution of the disastrous alliance with the CDU, and for the city assembly majority of SPD, DKP and FDP as confirmed by the voters to initiate a democratic turnaround in Marburg.

We, the communists of Marburg, and our city council group address ourselves to the SPD and its council group with the suggestion to consider how we may act together in the interests of the working people, the blue and white collar workers in factories and offices, the retailers and craftsmen, the city school students, university students and scientists of our city. All practical experiences have demonstrated that working people are able to hold their own against the superior influence of big capital and the big banks only by banding together.

Nothing good can come from cooperation between the SPD and the CDU, that party of big capital, arms profiteers and enemies of detente. We have always regretted that responsible representatives of the Marburg SPD refused to cooperate with communists and instead allied themselves with Dregger and Wallmann, the bitterest enemies of the SPD also.

Like us many social democrats failed to understand that the Marburg SPD joined a coalition with Wallmann, a man known to be a virulent reactionary and anticommunist, who--as is well known--maligned and slandered SPD chairman Willy Brandt. All that merely helped the CDU and--in our opinion--made it more difficult for the Frankfurt SPD to effectively oppose Wallmann, the top candidate on the CDU list.

We communists emphasize: If it is intended to effectively represent the interests of working people against the profiteering of big capital, the working people and their political representatives, whether communists or social democrats, must act together. That is quite possible and nowadays more urgent than ever before.

Many working people in our city and Land Hessen, social democrats and communists, ask how it is possible for the CDU, the party of big capital and the erosion of democracy, to achieve such successes at the elections. With many SPD comrades and voters we are of the opinion that the election success of Dregger's and Wallmann's party endangers the working people of our Land and requires reasonable steps to be taken in the interest of blue and white collar workers, school and university students.

### Electors Dissatisfied

The CDU gained votes in Hessen not because it had developed a policy in the interest of the working people nor because it had offered answers to the urgent concerns of blue and white collar workers, cities and municipalities,

but because among working people dissatisfaction and discontent are rapidly growing (and rightly so) with the policies enacted in the Hessen cities led by the social democrats as well as in the Federal Republic.

#### SPD Policies Delivering Grist to CDU Mills

The following experiences seem pertinent: As government politicians in Bonn and Wiesbaden and municipal politicians in cities and communities, representatives of the SPD also helped shift the burden of the capitalist crisis to the shoulders of working people. The betrayal of the voters--especially the pensioners--after the last Bundestag elections, the practice of employment bans, the advocacy of the nuclear power plants planned by the energy corporations in defiance of public safety, the increasingly frequent scandals and incidences of bribery, the policy of rearmament and anticommunist agitation, regional reform against the wishes of the public and the disdain for the wishes of citizens reflected in a series of important municipal decisions--none of these did any good to the SPD but actually delivered grist to the CDU mills, permitting that party of big capital and reaction to use social demagogy to mislead considerable numbers of working people. Encouraged by their successful swindle Dregger and Wallmann now intend to use the result of the Hessen municipal elections as a "signal for the 1978 Hessen Land assembly elections."

We communists want to offer the most resolute opposition to the advance of the CDU, something that can be done most effectively by the joint action of communists and social democrats.

Developments in our neighboring country France demonstrate that joint action by communists and socialists is both possible and successful. There, in the municipal elections held the same day as ours, the left alliance between socialists and communists obtained nearly 53 percent of the votes cast. There socialists and social democrats no longer tolerate the tutelage of the big bourgeois rightist forces. They no longer allow these to dictate whether or not they should ally themselves with the communists for the benefit of working people in factories and offices, cities and communities, schools and universities. In Marburg's French sister city of Poitiers socialists and communists emerged victorious at the last elections. It would be equally beneficial if our social democratic friends and comrades were to comprehend the sign of the times and cease to reject our outstretched hand in order to please the CDU, Dregger and Wallmann.

"Joint Action by the DKP and SPD in Marburg Would Serve as an Example to the Federal Republic"

The Marburg DKP is ready for joint action. If Marburg communists and social democrats were to act together against the CDU, Marburg could become a beacon for the Federal Republic. The developments and the election result of 20 March confront us--communists, social democrats and all democrats--with the responsibility for now conducting a policy benefiting the future of our

city. At this point we want to remind you of the words of Herbert Mies, chairman of the DKP, spoken in Marburg a few days before the election: "May all social democrats in this city appreciate that the signs of the times do not indicate coalition with the extreme right. Here in Marburg--as in the cities of France, Italy, Belgium and other countries--the signs of the times are set toward a left coalition.

The policy of the grand coalition of CDU and SPD in Marburg must come to an end. Marburg needs a city council which, in accordance with the declared wishes of the voters, operates with a majority composed of SPD, DKP and FDP. That is the wish of the voters and will provide a stable majority. We are prepared to make our contribution and see to it that no CDU man becomes chairman of the Marburg city council. Our city councilors will support a SPD candidate against the CDU.

We emphasize our right to the seat due us on the city council as per the legal regulations in effect. The DKP is prepared to cooperate in the interest of the public, on the basis of the municipal charter and the democratic rights and principles established in the constitution.

The vote for our party induces us more emphatically to champion the suggestions and demands of the Marburg DKP's program. We communists will continue to make every effort to justify the confidence of our voters and act on the principle to do everything in our power for the city and its working people, against big capital, against the enemies of detente and democracy.

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PROBLEMS, DISCORD WITHIN SPD, JUSOS ANALYZED

Koblenz RHEINISCHER MERKUR in German 1 Apr 77 p 1

[Text] The crisis which has gripped the SPD is bound to have consequences. Initially one is reminded of May 1974 when, after the catastrophic desertion of SPD voters, Willy Brandt was compelled to resign. Now as then Herbert Wehner is pulling the strings. Does he want to overthrow Helmut Schmidt? Maliciously rather than sorrowfully DER SPIEGEL asks: "Who Will Save Chancellor Schmidt?"

The derision might be premature. Wehner was able to replace Brandt with Schmidt; that was a successful operation. After the SPD had declined to some 30 percent in the course of Brandt's chancellorship, it recovered to more than 40 percent under Schmidt and was even able to win the 1976 Bundestag elections. But who in the SPD could replace Schmidt? Wehner surely does not know either. All he knows is that Schmidt is used up.

The SPD crisis is due to many blows and reverses. To begin with we have the weeks of acrimonious altercation about the bugging matter. Schmidt believed that he would be able to keep aloof until he got involved after all by the "sins" of his State Secretary Schueler. Such things are dangers in the age of the "art of not getting involved," discovered lately by Giessen philosopher Odo Marquardt to be the characteristic feature of our society.

Worse is the internecine strife within the coalition with respect to the bugging affair and other important matters. Even worse was the blow suffered by the SPD in the aftermath of the radical vote shrinkage in Hessen. And worst of all was the provocation offered by the Jusos [Young Socialists] to the party as a whole but specially to Schmidt. The Jusos went along with their left wing and proclaimed the wish for direct cooperation with the communists (with whom many of them belong anyway).

The Jusos would not have dared do that if they had not considered the government and party leadership weak as well as fragmented. Their agreement to the party executive's request to forego cooperation with the communists represents an evasion rather than a turnaround.

Nevertheless it is not possible to consider the Jusos only and contrast them to the party. If it is a matter of right or left the SPD turns up three trends. The genuine social democrats who are steadily diminishing, Schmidt adherents and canal workers on the one hand; on the other the left who are still infected with the nationalization bug and would be quite sympathetic to the SED system provided it behaved less obnoxiously; and thirdly those who hold exactly the same views but have realized that these views should not be publicly displayed because too many voters would take fright. That group includes some very notable SPD personalities. It is not hard to guess their identities.

This permanent internal conflict which is repeated among the Jusos (albeit the percentage distribution is somewhat different), represents the main problem and the party is unable to handle it. That is the cause of its inability to govern--something which it always accuses the opposition of, but which now paralyzes it also.

The most important topical crisis factor, however, is the attitude of the Schmidt Government itself. A congratulatory event was arranged after the first 100 days of its second administration, but in fact there was no cause whatsoever for congratulations. The failure of the Eastern policy has become evident, both by the growing abusiveness of Moscow's criticism and the brazen disregard of the basic treaty by the "GDR" Government. The prayed-for business recovery was slight and failed to stabilize. Unemployment has not decreased, and the deficits have continued to rise. The first serious conflict with our main ally about the power plants in Brazil has clouded the foreign political situation and the future of European security. The pension problem has not been forgotten either. Its treatment before and after the election managed to put paid to any illusions of the "dear old honest SPD" still fostered by staunch comrades.

Neither Schmidt nor his ministers have had any inspiration which amounts to more than belief in faith healing. Political jockeying no longer works; it simply has no future. Threatening social unrest in case he is overthrown merely means that Schmidt is now copying Brandt, although the latter's bluff had already been called by labor union boss Vetter. In any case it is not prudent to talk this way. Anyone claiming indispensability must expect the answer given by Napoleon to one of his generals who invoked this claim: "The graveyards are full of men who considered themselves indispensable."

A long time ago it was demonstrated that Brandt was not indispensable, nor is Schmidt. But Schmidt could certainly not be replaced by Brandt.

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## WEST GERMANY

### FDP'S JUDOS, SPD'S JUSOS REPRIMANDED FOR DIVERGENCE

Hamburg DER SPIEGEL in German 11 Apr 77 pp 28-31

[Text] Guenter Verheugen, FDP general secretary, benevolently conveyed the "greetings of the Free Democrat federal chairman" to the Young Democrats assembled in Duisburg. And the youthful general secretary, formerly himself Judo [Young Democrats] chairman in North Rhine/Westphalia, praised the liberal youth organization as "the element of intellectual ferment."

No more than 7 weeks later FDP chief Hans-Dietrich Genscher and his leadership aides had had enough of the unrest fomented by the Young Democrats.

Last week, therefore, only 2 weeks after the Young Socialists decided for cooperation with the communists (thereby provoking the senior SPD leadership), the FDP leadership was at daggers drawn with its own youth organization, and for exactly the same reason. Just like the Jusos [Young Socialists] (though these have in the meantime revised their resolution), the Judos, the liberal "playboy variant" (Franz Josef Strauss) intended to participate in a disarmament rally organized by the allegedly communist controlled "Committee for Peace, Disarmament and Cooperation."

The FDP leadership's benevolence was quickly dispelled and followed by rejection; the greetings changed into threats and open disapproval.

Late last week Genscher addressed a letter to the party rank-and-file, quite plainly signaling the estrangement from the youthful partners: "They may cooperate with whoever they wish," says the FDP chairman about the young guard, "but they must be aware that cooperation with communists cannot help but affect their relations with the FDP." Verheugen's verdict was equally annihilating for the Young Democrats: "Sheer childishness."

The weekend before last in Bingen/Rhine the conflict had unexpectedly become more acute. The executive board and the federal main committee of the Young Democrats had assembled Friday night, and the federal executive board had decided against involvement in the action of the committee; on Saturday the main committee also agreed to that line.

Sunday, however, when many of the delegates had already left for home, the situation was reversed: The remaining delegates took another vote, and the outcome of this approved participation in the rally.

Chairman Hanspeter Knirsch thereupon resigned, joined by two colleagues on the executive. Detlev Ommen, elected by the rump meeting, took the helm as chairman. Although, as a member of the federal executive, Ommen had voted against participation, he was now prepared "to champion anything resolved upon by the main committee."

The punch line, however was this: After all-night negotiations with the committee, the new masters of the executive suddenly refused to participate in the demonstration because they were allotted time for speeches at only three meetings instead of the four stipulated.

This embarrassment for the Judos is the outcome of the impression made on them by the Hamburg Juso Congress. The Young Democrats embarked on their coup primarily because they wanted to outdo newly elected Juso chairman Klaus-Uwe Benneter. "Without the Jusos and without Bahr," commented Knirsch, "the whole matter would not even have come up for discussion."

The rather comical interlude does, however, have its serious side which the FDP leadership is by now means underestimating. The unsuccessful action reflects a mood which is gradually emerging in the FDP also: Discontent with the party line.

In contrast to their erstwhile leader Knirsch, many delegates at the Judo Congress in Duisburg were unwilling any longer to follow their federation within the FDP line; they advocated finding other allies for such causes as the fight against the decree on the radicals--even if these allies were to be communists.

Dissatisfaction with the development of the FDP is also rampant among the moderate Judos because, jointly with the SPD in Bonn, the party is currently engaged in conducting no more than a "better Union policy" (Knirsch). In Duisburg Knirsch aired the "exasperation" of his federation with the "back-pedalers" on the way to the Christian Union: The coalitions with the CDU in Lower Saxony and in the Sarmland already delineate the "limits of the manageable burden."

Federal executive general secretary Verheugen does appreciate their feelings: "They were politically unwise to do what they did, but to some extent their dissatisfaction is quite justified."

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WEST GERMANY

CP PARTICIPATION IN DISARMAMENT COMMITTEE DISCUSSED

Hamburg DER SPIEGEL in German 11 Apr 77 p 28

[Text] The Bonn SPD and FDP leadership organizations are agreed that the "Committee for Peace, Disarmament and Cooperation" is "communist controlled." According to the Federal Office for the Protection of the Constitution the committee intends "by regional and local committees to provide greater impetus to the communist 'peace efforts'." An example of communist camouflage?

The association is domiciled in the Cologne offices of the fellow traveling Pahl-Rugenstein Publishing House. It is directed by an eight member "bureau." The eight members are

Theologian Martin Niemoeller (independent); Prof Gerhard Kade, chair of econometrics at Darmstadt University (SPD member); Klaus Mannhardt, chairman of the "German Peace Society--United Opponents to Military Service"; Pastor Konrad Luebbert, chairman of the Reconciliation Federation in Uetersen; Horst Trapp, board member of the German Peace Union (DFU) in Frankfurt; Peter Loewen, representative of the Social Democratic University Student Association (SHB) in Marburg; Gunnar Matthiessen, deputy manager of the Pahl-Rugenstein Publishing House, and Joseph Rossaint, president of the Association of Persecutees of the Nazi Regime (VVN) in Frankfurt.

According to independent Achim Maske, general secretary of the committee and politologist, communists "are anything but overrepresented" among the approximately 400 members--they account for about 5 percent.

It is certain that the communists are trying to keep their influence greater than their numerical strength would warrant. It is equally certain that the law-and-order brigade likes to dismiss as communistic any group in which communists hold active membership.

Admittedly some of the sects and collective movements represented in the Cologne committee are on the far left--for instance the VVB which is linked to the DKP in "antifascist solidarity." The procommunist "World Peace Council" also is involved by way of one executive member, the Pahl-Rugenstein manager Matthiessen. But the majority of antifascists and peace lovers is

attracted more by good will than by world revolution. Instead of calling for a red front, therefore, Cologne appeals for disarmament to both parties.

The summons to the committee demonstrations set for 21/22 May in Bremen, Essen, Frankfurt and Munich already has 6,000 signatures, including those of unimpeachable and prominent personalities: professors, works councils, writers and also stars of entertainment such as Senta Berger, Hansjoerg Felmy and Willy Millowitsch.

Martin Niemoeller does not want to reject any potential helpers in the struggle against tension and rearmament ("no political party in fact really advocates that")--it does not matter "whether I say we want to disarm, or if a communist says so, or a conservative or a liberal."

Last year's rally in Bonn attracted some 40,000 people. The SPD leadership had forbidden participation in the peace event (slogan: "An End to the Arms Race"). Whoever disobeyed risked sanctions--two comrades are still on trial pending possible expulsion from the party.

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