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JPRS 83647

10 June 1983

West Europe Report

No. 2156

DISTRIBUTION STATEMENT A

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DWC QUALITY INSPECTED A

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WEST EUROPE REPORT

No. 2156

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SPD'S APEL ON DISARMAMENT, NATO STRATEGY

Herford EUROPÄISCHE WEHRKUNDE in German Apr 83 pp 154-159

[Paper read at the 20th International Military Science Meeting in Munich on 12-13 February 1983 by Dr Hans Apel, member of the Bundestag: "Does NATO Need a Different Strategy?"]

[Text] A Democracy as Well Requires Political Leadership

Within NATO, an increasingly more vigorous debate is in progress concerning the defense strategy of the Alliance. This debate is a welcome development. But it must also go beyond the circle of the experts, because the strategy of NATO can be effective and admissible only so long as it is accepted by the great majority of the citizens of the NATO member states. Because that is the central difference between a pact system made up of sovereign democratic states and the Warsaw Pact: In the long run, we cannot keep up our security policy and thus also the defense strategy of the Alliance against the will of the majority of our citizens. It is agreed that the politician in a democracy cannot sidestep questions regarding the acceptance of his own political position by the majority of his constituents.

But let us be on guard against a danger: A democracy as well requires political leadership. In connection with life-and-death questions of a people, or in this case a community of peoples, we cannot and must not allow ourselves to succumb to opportunistic currents which in the end are not in accord with where our interests lie: To preserve peace and freedom. So much is emotion a part of social existence--the human being is simply not the homo rationalis the Enlightenment supposed him to be--that there is all the more reason why we must not let ourselves be carried away by feelings in the case of questions which really do pertain to "life and death" matters. We must soberly assess our own situation. We must clearly recognize the threats to peace and proceed accordingly.

Strategic Changes Can Be Made Only Gradually

By necessity, any changes in NATO's strategy can be made only very gradually and slowly. A decade-long debate was required before conclusions could be drawn from the critical comments made on the then accepted NATO strategy of "massive retaliation" and NATO arrived at the strategy of "flexible response" with the MC 14/3. Thus it becomes clear that also the debate which has now flared up concerning a possible changing of the current NATO strategy can bring about

results only very gradually and slowly. Because ultimately all the alliance partners must come together again in this strategy and view it as protecting their national interests.

A Minimal Consensus With Respect to the Third World Is Needed

However, on one point the Alliance cannot escape from thinking things over anew. NATO's current military strategy applies exclusively to ways of coping with the political and military differences between NATO and the Warsaw Pact. It does not include as well problems of North-South relations. I expressly oppose any expansion of NATO's activities outside its defined alliance territory. But the fact cannot be ignored that the NATO countries by no means can avoid coming to a minimal consensus on security questions which may confront them outside the alliance territory. Here my position is clear: We do not want to involve the developing countries in the East-West conflict. For us, they are not a glacis of our foreign and security policy. We must actively support the demand for self-determination of these countries. Our contribution here is development aid and diplomacy. The militarization of the Third World will not get us anywhere. On these questions there are certainly differences of opinion. They should be harmonized as much as possible if the West wants to realize a common and successful policy of peace in the Third World.

Since the coming into force of the strategy of flexible response, the struggle between the Soviet Union and the United States has widened geographically beyond Europe, and thus its tenor has widened also. This is creating the problems I have outlined. There is no point in being unwilling to take cognizance of them.

And thus by necessity not only global political events but also the global relations between the United States and the Soviet Union work their way into European security policy. It cannot be detached from the general course of international politics. For decades now, Europeans have imagined that it was none of their business when there was war outside of Europe. Supposedly the peace in Europe was not affected by this. Again and again it was argued as proof of this thesis that both SALT I and the treaties with the Eastern Bloc were signed at a time when the Vietnam War was at its peak. It is becoming and will continue to become more and more doubtful whether this will remain the case. When the two superpowers come into conflict with respect to scarce raw-material and energy reserves, the spark can easily leap over.

European security policy, our strategy for preserving the peace, is executed against a political-psychological background which is substantially codetermined by the mutual relations of the superpowers. The Soviet invasion of Afghanistan has dealt a severe blow to the policy of detente. The non-ratification of SALT II by the Americans has had its consequences. There is no point in seeing things otherwise. Europe's citizens live on this earth, not on some "peaceful isle of the blessed." This must be realized by both superpowers, but by us as well, if we do not wish to delude ourselves.

Can peace and detente be partitioned or not on a global basis? I regard this sort of question as improper. Peace can be partitionable. Detente can be partitionable. But under certain conditions peace can also be indivisible,

and thus detente also. In any case, it is important for us to understand that a rapid militarization is taking place in the Third World. That population growth and poverty are on the rise. That it is becoming more and more difficult to encompass 150 states, mostly developing countries, in the traditional instruments of international order, that raw-material and energy shortages can react on East-West relations and thus increase dangers of war. Not only NATO and its member countries but also the Warsaw Pact must not ignore these dangers. Here is a central challenge for our times. Indeed, if the dams break in Europe, if there is war in Europe, then the danger of global armed conflict will have become great as well. In this respect, preserving peace in Europe is of central importance for preserving the peace in the world.

We Need a "Partnership for Security"

The sincere participants in the strategy debate are in agreement on one point. The approximate military balance cannot be renounced, however indefinite this statement is. East and West demand in like manner a military balance at the lowest possible level, but they define given states of affairs in a completely different fashion. Nor can we renounce at present our assured military deterrence within the framework of our NATO strategy. However, we should not be in the dark about the problems associated with this stipulation. Adherence to deterrence raises the following questions at least:

- What really will happen if there are technical breakdowns? The early-warning times are decreasing. I doubt whether the great powers are adequately making use of hot lines, telephone circuits--everything which is available for crisis management, for coping with political crises and threatening military crises. We must have a conference on disarmament in Europe within the framework of the CSCE [Conference on Security and Cooperation in Europe] process. This should enable us to take additional confidence-building measures.

- What really will happen if one party finds itself maneuvered inescapably into a corner, either in its domestic policy or economically, so that it could be faced with the question of employing military measures as the last resort? Therefore, no party, no superpower, can be permitted to force the other into a situation of hopelessness, because in that case irrationality may replace rationality, and war could be chosen as the last resort.

- Notwithstanding the necessity to maintain deterrence, how can we prevent the destabilizing effect of new weapons technologies which can then undermine or even eliminate altogether the situation of mutual assured deterrence? It is here where I see the greatest danger to the effectiveness of our strategy for preserving the peace through deterrence, and where I see a potential increase in the threat of war. In the negotiations on arms control, it is important to bring in technical developments as much as possible.

We Social Democrats wish to arrive at a "partnership for security" in the military sphere of East/West relations. In the long run, security can be realized not in mutual opposition but only in cooperation. The concept of "partnership for security" is criticized. It is regarded by many as dangerous, supposedly because it inaccurately, or even incorrectly, describes the political and military relationships between East and West. But if one looks more closely,

he sees that assured deterrence already requires more than just a high degree of rationality in all military decisions. It also requires a minimum degree of relations on a partnership basis--a "partnership for security." Because to achieve and preserve deterrence requires that one has to take into account both one's own interests and the interests of the adversary, if the peace is not to be broken. But if deterrence already includes the rudimentary beginnings of a "security partnership," I cannot understand why there should not be an even more vigorous endeavor to achieve a partnership for security in connection with the further pursuit of an arms control policy and a policy of detente.

Deterrence Is an Element in the Preservation of the Peace.

Deterrence has nothing to do with a preparation for war. Developments in Europe since 1945 show that the principle of military deterrence most probably has been and will remain an element in the preservation of the peace. In Europe, since 1945 there have been plenty of occasions which in the past would have led to a third world war. Deterrence, especially nuclear deterrence, has prevented the outbreak of war between East and West and has permitted Europe to live in peace for 37 years.

Since World War II--and this must be underscored again and again--war has lost its legitimacy as a means of pursuing policy. The proposition that war is the continuation of politics by other means is no longer valid. In view of the stockpiles of weapons amassed in both the East and the West, war is simply no longer appropriate in terms of the rational calculus of what represents one's own interests. Today, military power in the East and West means the prevention of war. To be sure, it goes without saying that this military power must be credible, that it must be credible in the eyes of the adversary. Deterrence cannot be dispensed with.

Today a strategy of deterring the use of force has grown out of the centuries-old strategy of the use of force. Mutual assured deterrence between the two military blocks makes it impossible for either to coerce the other. It constitutes a preventing of the use of military means. It is the preventing of war. In this respect, deterrence is above all a political principle. It has nothing to do with a policy of threatening to take coercive measures. As long as it is functioning, it prevents aggression, because it saddles the aggressor with risks which this aggressor cannot bear.

Defense Readiness and Detente

The strategy of NATO is based, in the long term and generally speaking, on two indispensable elements. First, on the necessity to preserve over the long run the operational readiness and the defensive capability of the Atlantic Alliance. For any aggressor, his own risk must continue to be incalculable. The use of military means to achieve political objectives must continue to be futile. But it must not be forgotten by anybody, and we Social Democrats will continue to harp on this, that in the long term and generally speaking the NATO strategy simply does not rest solely on defense readiness, but rather its strategy is also to build on this to arrive at detente between East and West by means of a sustained effort. The fact that the Bonn NATO summit referred expressly to the so-called Reykjavik signal, the Harmel Report of the year 1967, makes this clear. In 1967, striving for a European order of peace is mentioned as one of

NATO's objectives. According to the Bonn resolutions, this is still true today. For this reason, none of the NATO partners has the right to abolish this twofold basis of NATO's general strategy. Any attempt to do this would lead to the danger of jeopardizing one of the essential "working principles" of NATO.

On Raising the Nuclear Threshold

The current debate on the accepted NATO strategy of flexible response raises in particular the question of whether the conventional capabilities of the Alliance are sufficient. In a report to the Armed Services Committee of the American Senate in May 1982, with the challenging title "Can the Alliance Be Saved?," Senator Nunn comes to the conclusion that the current NATO strategy cannot be implemented any longer. In fact, an "inflexible response" has come out of the strategy of flexible response, he says. He points to the parity existing in the strategic-nuclear systems, describes the lagging behind of NATO in the area of Eurostrategic weapons, and shows NATO's inferiority in Europe in the sector of conventional forces. He does not insist that the NATO strategy should be changed. He calls for an extensive strengthening of the conventional component of NATO's defense strategy. In this way the nuclear threshold can be raised, deterrence becomes more credible, and the strategy of NATO regains its flexibility and its imponderability. In their article "Nuclear Weapons and the Atlantic Alliance," George McBundy, George Kennan, Robert McNamara, and Gerald Smith raise the question of renouncing the first use of nuclear weapons. In this article it is also made clear that it is extremely important to strengthen the conventional component of the defense capability of the North Atlantic Alliance in Europe.

Everyone involved in our security policy has to have an interest in raising the nuclear threshold within the framework of the current NATO strategy. In this respect, the debate now in progress on the limits and possibilities of strengthening conventional deterrence is important. But we should also guard against unnecessarily "setting little store by" our conventional defense capability. The Western Alliance is not as inferior in its conventional component as some people would like to portray it.

One question above all arises in connection with the strengthening of the conventional part of our deterrence: Can the bringing up of reinforcement forces of the Warsaw Pact from deep in their zone be impeded by conventional means in the case of an outbreak of conventional engagements between NATO and the Warsaw Pact? Weapons developments show possibilities of conventional interdiction deep in the zone. However, we must take care not to replace reality by science fiction. We should also not have any illusions to the effect that the defense budgets of the Western industrial nations could be expanded substantially in real terms. The change of government in Bonn has made it clear that not even the Federal Government now in office is able to comply with the NATO objective of an increase in defense expenditures of 3 percent annually in real terms. Neither in 1983 nor in the years ahead of us. And we should also take note that in the FRG at least, expenditures in the sector of arms up to the end of this decade are earmarked in advance for large procurement projects to such an extent that a drastic change is possible only within limits. Incidentally, I am not certain whether we will achieve very soon any revolutionary breakthroughs in

weapons technology which will allow so easily an interdiction deep in the enemy zone by conventional means. And providing cruise missiles or Pershings with conventional warheads raises another crucial problem, in addition to the financial questions: How is the Soviet Union to really know whether the weapons carriers in question are conventionally armed or armed with nuclear weapons? May not the nuclear threshold be crossed "willy-nilly" in this way, because of corresponding reactions by the USSR? Which is the opposite of what was to be achieved.

In any case, and this is made clear in the statement made by Senator Nunn, not only the weapons technology but also the strategic orientation of NATO would have to be changed. The forward defense would be replaced by a conventional advance defense. The equipment and weapons of the NATO armed forces in Central Europe would have to be oriented much more than hitherto towards the ability to fight deep within the enemy zone. Because the conception of an "airland battle 2000," a departing from the sort of "Maginot thinking" associated with the currently accepted front-line defense, is not acceptable for us in the FRG if the planning is for this "airland battle 2000" to take place between the Elbe and the Rhine.

But if in the development of our strategy the question were to be that of changing our military capabilities in such a way that we can carry any conventional military conflict into the enemy zone, this may also very quickly alter a great deal with respect to political and psychological aspects of East-West relations. We then become vulnerable to the contention by the Soviet Union that we intend to launch a conventional attack and turn its national territory into a battlefield. In view of our invasion of the Soviet Union in the last world war, precisely we Germans would have difficulty standing up to such a campaign, not least considering that our Bundeswehr makes up such a prominent part of NATO's conventional deterrence in Central Europe. Therefore there is no point in closing our eyes to the fact that such considerations raise a number of serious political and psychological questions which could considerably change and disturb East-West relations. But we need more rather than less mutual trust and understanding between East and West.

In view of the existing disparities in the conventional sphere between NATO and the Warsaw Pact, and given the absence of results in the negotiations on conventional arms limitations, the question arises as to whether it is possible to station additional troops in the territory of the FRG and to give them accommodations and training areas. In this connection, how do things stand concerning the reintroduction of general compulsory military service in the United States and Great Britain? Because aside from the question of financing the next generation of weapons and financing the activity of our armed forces, the strengthening of the conventional defense capability of NATO is in essence also a question of the number of soldiers, the possible mobilizing of conventional reserves. And here surely many questions are still unanswered. It is simply not enough that we are in a position to make 500,000 active soldiers grow in size to 1.2 million soldiers of the Bundeswehr within a few days, by way of calling up our reservists.

It cannot be overlooked that our allies have repeatedly reduced their conventional presence in Central Europe, while we have increased our presence within the same period.

I do not oppose anyone who calls for strengthening the conventional defense capability of the Alliance. I expressly agree with everyone who calls for a greater concentrating of the Alliance's efforts on the conventional sector. It is quite true that by way of more standardization in our weapons, by reducing national egoisms, and by an orientation towards common military objectives with existing financial means, we can achieve a greater performance capability for the Alliance in the sector of conventional deterrence. But we should take care not to entertain any illusions in this area.

What Does Balance Really Mean?

For us Europeans it is important that the prevention of war must remain the supreme dictate of the NATO strategy. A part of this strategy of war prevention must also be to fully include the superpowers in the risk of an outbreak of war. The Alliance will remain operational only so long as every member is involved equally in the risks of NATO's strategy for the prevention of war through deterrence and flexible response. We are very well aware of the difference between conventional and nuclear warfare. It is also not certain, indeed even doubtful, whether we can succeed in limiting nuclear engagements and thus arrive at an end to the conflict. And therefore we support every means of increasing the conventional defense capability of the Alliance. But we must insist on the full preservation of the unity of the Alliance's risktaking, the total participation in the risk on the part of the superpowers in case of any violation of the dictate of peace in Europe. The existential risks to himself which may be incurred by every aggressor must remain unfathomable to him. Therefore at present we cannot dispense with the nuclear deterrence, even with the desirable raising of the nuclear threshold and the strengthening of NATO's conventional deterrence.

Incidentally, it would also be an illusion to think that one could banish the nuclear option from the defense strategy of both alliance systems by means of reciprocal arrangements. We humans know about the existence of these weapons and their horrible consequences for mankind. Even if all these weapons were to be destroyed they could be reproduced quickly. Before a country surrenders its political and physical existence, it can easily be induced and tempted to resort again to the nuclear option. Thus the defense arsenals of the two pact systems will not want to and cannot dispense with their nuclear components. They will be preserved at least for mutual deterrence from the use of these capabilities. However, it is becoming clearer and clearer in this connection that in the future the nuclear combat weapons must have a reduced significance. Increasingly, they can be replaced by modern conventional technologies. Too many of these warheads are stored on German soil. A portion of them can and must be withdrawn.

Nuclear weapons are political weapons. They are supposed to prevent the outbreak of hostilities. Their use is subjected to especially stringent conditions. This must also continue to be the case. The ultimate decision is vested in the

American president. In the sector of nuclear capabilities, by no means can it be a question of achieving numerical parities or preserving such parities. What is important is to have one's own options, which can be effectively set against the political blackmail practiced by the other side. It is a question of balance.

What does balance really mean for the Soviet Union, for the United States, for the Warsaw Pact, for NATO? Balance must guarantee that there is equivalent security for both sides. Both sides must be able to derive corresponding equivalent advantages from arms limitation agreements.

We should note that balance is a dynamic process which is simply not determined by military considerations alone, but rather is a process on which economic, social, and geostrategic elements have a bearing as well. We should note that in particular there can be no partial balances of tank against tank, divisions against divisions, but that the objective must be to maintain the balance of power politics between East and West.

Nuclear Restraint by NATO Presupposes Conventional Disarmament by the Warsaw Pact

Many participants in the debate find a certain appeal in the idea of the so-called Palme Commission for creating on both sides of the intra-German border a strip 150 km wide which is to be free of nuclear weapons. And it is true that the pullback of nuclear capabilities can reduce the danger that nuclear delivery systems will be used in limited conflicts. On the other hand, substantial problems are connected with this proposal. For one thing, there is the question of the verification of such a "nuclear-weapons-free zone." Here the West would have few problems. But like us, the Soviet Union as well would have to submit to a detailed verification. And it is for this reason probably that the Soviet representative on the Palme Commission has not agreed to this proposal. Moreover, it is possible also to sneak nuclear systems into this "nuclear-weapons-free zone" from outside. Many weapons systems can be used in both a nuclear and a conventional way. A pullback of nuclear weapons also gives a potential aggressor advantages. He can mass conventional troops.

But the decisive point is that such a proposal cannot be detached from the general difficulties of arms limitation and arms reduction in Central Europe. If we could succeed in persuading the Soviet Union to agree to an arms control in the conventional sector, in which it moves back to a considerable distance substantial portions of its superior armored forces and also makes this action verifiable, then in fact many quite different propositions could be considered on the part of NATO. Only an appreciable curbing of the conventional aggressive capabilities of the Warsaw Pact can lead to a distinct reduction in the nuclear component of the NATO deterrence. Finally, it must not be forgotten that the NATO strategy and the strategy of the Warsaw Pact are clearly distinct. NATO relies on a front-line defense and a rapid end to the conflict, but the Warsaw Pact counts on a forward-based defense and victory.

Only in this context can there be serious negotiations on the part of NATO on renouncing the first use of nuclear weapons. It is possible to conclude agreements which forbid the first use of nuclear expedients only so long as the Warsaw Pact first complies with the demand for a pullback of conventional

forces, because only then is a conventional balance established. If previous to this the idea should be seriously considered that first use should be relinquished quasi-unilaterally by NATO or even should be agreed to bilaterally with the Warsaw Pact, then in that case the conditions for the effectiveness of NATO's strategy on the prevention of war can change quickly. Then war becomes calculable in terms of its risks again, and thus it also becomes conceivable. Also the idea may then spread in Europe that the United States is taking its European commitments less seriously.

We Must Make it Clear That We Are Serious About Disarmament

We should not delude ourselves about the seriousness of the situation. The fear many citizens in our countries have about a third world war, about the nuclear holocaust, is genuine and deep-seated. That is an important fact for us politicians. Incidentally, it must not be forgotten that ill-advised statements and planning games which have come from Western politicians have played a considerable role in making it possible to emotionalize and turn against us to such an extent the security-policy debate and the debate on the current NATO strategy. We cannot avoid the question about the danger of the world's end through a nuclear exchange. We must make a convincing case for the claim that we have absolutely no intentions of starting a war. And it is even more important for NATO to make offers to the Warsaw Pact on reducing the nuclear danger, with this being done with the utmost effort and to the limits of what is militarily and politically justifiable. We must make it clear that we are ready to save mankind from nuclear extinction. We must show that we really want arms control and arms limitation. There is no point in engaging in ruses here. Also the Geneva INF negotiations must be energetically pushed forward by us. We Germans will not stop petitioning the nuclear powers for that which we obtained from them as a promise following the ratification of the non-proliferation treaty--namely, nuclear arms limitations and disarmament.

Maintain the Alliance Under the Given Premises

At present I do not see any compelling reason why NATO's strategy should abandon flexible response. But it must be capable of being implemented. Nevertheless, the current debate is important, indeed indispensable. In this connection the following points are important to us:

1. We will not accept any change in the NATO strategy or in the weaponry concept of NATO's armed forces which abandons the objective of preserving the peace and replaces the strategy of war prevention with warfighting strategies.
2. We will oppose any change in the NATO strategy and in the weapons concept of NATO which could dissolve the cohesion of the Alliance as a community of shared risks as well as shared values. We must not help to give to the Soviet Union opportunities for driving a wedge between North America and West Europe because of mistaken strategic signals.
3. For us our national interests stand at the center of all considerations. Never again must a war start from German soil. All armed conflict in Europe must be prevented with the military and political means available for doing this.

NATO stands on two legs, its defense capability and its readiness to achieve a conciliation of interests and to have detente with East Europe.

4. Both NATO and the Warsaw Pact must understand that in the future the threat of war can arise for us to a much greater degree than hitherto from conflicts on other continents in the world. The spark can jump over to Europe. Therefore there must not be any European-Atlantic navel-gazing. Preserving the peace is more than merely preserving the peace in Europe.

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CSO: 3620/344

SPD'S VOIGT ON GREENS' SECURITY, PEACE POLICY

Bonn DIE NEUE GESELLSCHAFT In German Apr 83 pp317-326

[Article by Karsten D. Voigt]

[Text] Karsten D. Voigt was born in 1941 and has been a member of the SPD since 1962. From 1969 to 1972, he was Federal Chief of the Young Socialists. He is the head of the SPD faction in the Foreign Policy Committee of Parliament and is a member of the SPD party council. In recent years, he has published numerous papers in the NG (New Society) concerning peace and detente policy.

For the SPD and for the Greens, a non-violent coexistence between persons and states is the most important political objective. In some program formulations dealing with security policy, the SPD agrees more with the Christian Democrats or the FDP, in other disarmament demands (for example the abolition of chemical weapons and the objective of nuclear-free zones), it agrees more with the Greens. But these commonalities cannot cloak over the fact that there are important differences of opinion with the Greens, not only as regards individual questions, but also as regards the conceptual foundations of disarmament policy.

The SPD regards membership in the Western Alliance as a necessity in terms of security policy and also as a chance for exerting an influence. The Greens wish a disengagement from the Western Alliance. The SPD is the party of negotiation. The Greens move the example of unilateral disarmament into the foreground of their demands.

Naturally, there are also many intermediate hues. One should also consider that different experiences are reflected in the programmatic formulations: In the SPD, the consciousness of having successfully concluded eastern treaties continues to live on as the crowning achievement of long years of negotiations. The Greens are stamped by the crisis of the East-West negotiations. The SPD has many years of experience in government, but sometimes has neglected the urgency of trust-building in connection with peace policy. Governmental responsibility strikes the Greens as strange and forbidding. The Greens fear nothing more than the alienation of basis movements that are connected with parliamentary work - unavoidably to a certain extent.

The Greens are in the process of transformation. Their programmatic statements at the present time do not yet describe the terminal point of their future development. There are also programmatic differences between the different provincial associations of the Greens and also between the Greens and their alternatives.

The political identity of the SPD is not at the disposal of the Greens just as it is not at the disposal of the Christian Democrats or of the FDP. But it is within Social Democratic interests to strive for an explication as regards the demands of the Greens.

Initial Position: Crisis of the Detente Policy

The extra-parliamentary wrestling concerning the eastern treaties stood in the center of Social Democratic peace policy after 1969. The battle concerning these treaties symbolized the will for reconciliation and for a balancing of interests between the Federal Republic of Germany and its eastern neighbor. The SPD and the remainder of the extra-parliamentary peace movement of the 50's and 60's demonstrated in common for the parliamentary success of the eastern treaties.

The crisis of the detente policy has also led to a crisis of the treaty policy. The Vienna MBFR (Mutual and Balanced Force Reductions) negotiations continued for years without any sort of treaty being achieved up to now. The SALT II agreement was negotiated successfully. But its ratification foundered on internal political resistance in the USA. With the Madrid KSZE (Conference Concerning Security and Collaboration in Europe) follow-up meeting, there might be a chance of bridging over still existing material differences and agreeing to a substantial final document, but up to now, the political will for agreement is lacking.

In such a situation, it cannot be surprising that

- in the Federal Republic of Germany, just as in other Western countries, there is a search for a way out of the crisis of the politics of negotiation
- that an alternative is seen in unilateral disarmament steps, since agreed-upon disarmament steps between East and West obviously are not succeeding
- that the extra-parliamentary protest of the peace movement is growing, if parliamentary majorities for an active peace disarmament policy have vanished in many member states of NATO
- that a specifically German contribution to peace policy is being sought, if the Western Alliance appears altogether to move away from a political peace concept of detente policy
- that the personal peace engagement of the individual moves into the foreground, when other political means and paths for containing and overcoming the structural violence of international relationships between states are obviously unsuccessful.

The Basic Value is "Peace"

The demands of the Greens are an expression of a crisis in traditional security and armaments control policy. Their critical questions are largely justified. These questions are also posed by many Social Democrats and also by some Christian Democrats, who are seeking for a cheaper and less risky solution for the security problems of the Federal Republic of Germany. The objective of non-violent coexistence between persons and states can be supported by Social Democrats without any deletions. The description of the basic value of "peace" in the Provincial Program of the Greens in Hessen could thus stand identically or similarly even in a Social Democratic program:

"Peace does not merely mean life without weapons, peace means non-violence, a life without constraint or suppression, a life in a just distribution of the goods of this Earth, a life of harmony with nature."

To 'make peace' here and now means:

- To treat people with solidarity, people whom we meet in everyday life, to allow them the freedom to be different.
- To learn to think differently, to discover one's own needs, and not to view these needs as overpowering another.
- To act jointly, and not in competition with one another.
- To begin ecological action at home.
- To decide for resistance against the everyday structures of violence.
- Trust in human power and imagination to develop a future worth living."

International peace policy and the striving for a non-violent and solidary collaboration in everyday matters combine without contradiction in this definition of the "basic value of peace". The attempt of the Greens to combine complex international relationships directly with local and specific events and actions is an important reason for their attraction to groups within the peace movement. It is in correspondence with basic democratic and also original Christian traditions that the vanquishing of evil and malice in the world causally presupposes altered thinking and altered action on the part of the individual.

Already before the rise of the new peace movement, in 1977, the SPD at its Hamburg Party Congress discussed the necessity of peace education and local peace work. However, these discussions and decisions on Party Congresses were followed by corresponding actions in only a few regions and local associations. To this extent, the critical distance of major portions of the peace movement to the SPD expresses not only a failure of trust for the Social Democratic government policy, but also a failure of party work.

It is part of the strength of the SPD to acknowledge its own weaknesses and correct them. With the same objective, the critical question must be posed to the Greens, by means of what political strategy they wish to proceed from a personal manifesto of non-violence to a guarantee of non-violence in the relations between states and alliance systems. The problem of a political transformation of non-violent practice in personal life, with the objective of overcoming structural violence in international relationships, either is not satisfactorily solved or is not even seen by the Greens.

This obvious flaw, however, is explicable: Up to now the Greens have been lacking parliamentary experience in Parliament. All the more, they are lacking experience in international government negotiations. On the basis of their statements up to now, it may indeed be doubted - although it is not inconceivable - that the Greens are ready and capable of overcoming these obvious political flaws in the course of a longer process.

The Greens' Critique of the System of International Non-Peace

Just like the SPD, the Greens oppose, like Konrad Adenauer, making the development of nuclear weapons seem harmless as a further development of the artillery: "With the introduction of nuclear weapons systems, war has attained a completely new dimension. Through the possibility of destroying the whole Earth many times over, it has become pure genocide and a crime against life altogether." (The Greens, Federal Program).

According to the nuclear deterrence doctrine, the fear of the use of nuclear weapons serves to deter potential opponents against war. By contrast, the Greens use this fear, as does the peace movement, to deter against weapons. Not the potential opponent, namely the Soviet Union, but the weapons in the East and West accordingly are the main danger for peace.

Similarly as with the SPD, the presentation of the life-threatening destructive potential stands in the foreground of the Green's analysis. This potential has in the meantime been accumulated in the weapons arsenals of the East and the West. Here, the Greens presuppose that military potentials are also used to secure domination. A close connection between economic interest and political military might is suspected. In their analysis, the Greens are not as dogmatic as the previous Marxist imperialism theories: No direct analogy is drawn between their ecological critique of the negative consequences of a growth-oriented economic order internally and an expansive foreign policy externally on the part of social orders that are oriented according to the growth principle.

However, according to the opinion of the Greens, the existing military potentials of the Eastern and Western industrial states do stabilize their economic preeminence with respect to the developing countries which export raw materials! "The threat of war is supposed to secure political as well as economic regions of influence, facilitate access to foreign raw materials and markets, and frighten the supposed opponent. The life and production styles of highly developed industrial countries, both with a capitalistic profit economy and a bureaucratic planned economy, require a constantly rising influx of raw materials." (The Greens - Hessen, Provincial Program).

Similar to the report of the "Brandt commission", the Greens formulate their position as follows: "There can be no realistic hope for stable world peace as long as there is no hope for the poor in the world and as long as the highly armed industrial states secure their access to raw materials and world markets by destroying the independence and democratic self-determination of other peoples by economic and military oppression." (GAL Hamburg, Peace Program)

The USA is made primarily responsible as the driving force of this policy: "Since the end of the Second World War, the USA - without having been threatened - has secured or has tried to expand its political and economic region of influence as the Western hegemonial power (preeminent power position) with all military means." (The Greens - Hessen, Provincial Program)

But the USSR is also judged critically: "The USSR is also pursuing international power politics. By means of military means it controls the power area that was created by the Four Powers agreement in the 30's...Expansions of its power area are secured by the USSR by military means (Afghanistan, 1979), and the aggressions of allied states, which serve the expansion and solidification of its power domain, are supported by the USSR by military means." (The Greens - Hessen, Provincial Program)

In contrast to the SPD, the Greens, in their programmatic statements, stand for an equal distance to the two nuclear world powers. Here, the foreign and military policy of the Reagan administration is criticized still more strongly than that of the Soviet Union: "The striving for world domination and the military-political strategy of the USA as the controlling power of NATO for some time has had as its objective to kill the Soviet Union with armaments and to make a nuclear war against the Soviet Union again feasible and winnable." (GAL Hamburg, Peace Program)

The driving force of this policy is the inherent dynamics of the armaments industry, which in the first instance makes the "aggressive international policy" at all possible. "The armaments industry is closely intertwined with the military. The profit and power striving of the industrial-military complex in capitalism is now making an unconcealed appearance. It should be noted that military policies, with their strategies and deployment plans, only build on the most recent supply of arms production - that is the most recent developments of weapons systems. Military policy thus follows the inherent dynamics of the armaments industry." (The Greens - Hessen, Provincial Program)

According to the opinion of the Greens, in the Federal Republic the rulers deliberately build up hostile images of enemies in order to legitimate their dominion. The maintenance of the ruling apparatus (among which, in the Federal Republic, can be included the police, the Federal Boundary Protection Service, the communication services, and military armaments) actually is a consequence of fear of one's own people (thus the Greens, Hessen).

The "ruling power block" which was criticized as a whole and in a generally undifferentiated manner until the coalition change in Bonn, is juxtaposed with the peace-policy alternative of the Greens: "Peace policy is directed against all forms of aggression, of militarism internally and externally, of competitive armament and of the armament craze, and is oriented toward peaceful and solitary co-existence of people.

Peace policy is directed towards social conditions which signify, in the countries internally, self-determination and freedom as compared to the currently prevailing relationships of violence. We wish that all peoples and countries take their own development path and can determine themselves what opportunities for using their capabilities and resources can be drawn upon." (The Greens, Federal Program)

Social Democrats can agree with these peace objectives of the Greens. However, it remains problematical how the Greens intend to achieve these objectives in the context of a gradualistic and reforming political strategy. It also remains open what compromises they would allow so as to be able to implement at least portions of their objectives.

Dissolution of the Military Blocs

The requirements of the Greens for disarmament, for armaments and weapons control, for a prohibition against the storage and production of ABC weapons, and a prohibition against world-wide weapons trade have as their objective to create a demilitarized world. The objective of creating peace without weapons agrees with the political objectives of the SPD. Nevertheless, there are basic differences concerning the path to this objective. For example, the "European peace policy" of the Greens contains the requirement of dissolving the two military blocs, NATO and the Warsaw Pact. In this way, the division of Europe and the split Germany are to be overcome, and the military apparatus which exists in the individual states is to be made superfluous. (The Greens, Federal Program) As spokesman for the Greens, General A.D. Bastion, in a television discussion of the ZDF (Second German Television) on 29 January 1983, made it quite clear that the Greens do not require immediate separation from NATO. The dissolution of the military blocs supposedly is a longer term objective for them.

For the SPD, too, it is worth striving for in the long term to allow the military blocs in the East and West finally to become superfluous in the context of a European peace arrangement. In contrast to the Greens, the Social Democrats, however, do not yield to the illusion that the confrontation between East and West in Europe could be overcome by separation from the military system of alliances. They also deem wrong the wish to initiate this overall European process in the East and West by isolated steps of the two German states.

While the Christian Democrats are not sufficiently utilizing the existing opportunities in the Federal Republic of Germany, the Greens are reanimating the illusionary and sometimes also politically hazardous conceptions of a security and disarmament policy that is predominantly oriented to the nation state. They here fail to recognize that the Federal Republic of Germany, on the basis of its history, location, and especially the location of Berlin, has a very great interest in satisfying its security requirements in an international association.

On the basis of its history, because our European neighbors frequently had to suffer during the course of the last hundred years, under unilateral national pursuits of German security policy and of German militarism. From an historical perspective, the suffering following the unilateral national pursuits of German security policy led to the special responsibility of the four powers as regards Germany as a whole and with special reference to Berlin. The rights of the four victorious powers with

respect to Germany as a whole continue to manifest themselves in many particular regulations in Berlin, but especially also in the Federal Republic of Germany and in the GDR. The continuing rights of the four victorious powers are not only a consequence of the Second World War but also express the continuing and legitimate interest in not allowing Germany alone to determine the situation in Germany inasmuch as this situation can be decisive concerning war and peace. This interest is legitimately rooted through the four victorious powers. The same interest, in fact, however, also exists with other European powers. Disarmament policy always is also a security policy. And German security policy must respect the rights of the victorious powers, the linkages with the alliance, and the legitimate interests of the European neighbors in the East and in the West. This can and should happen without denying one's own legitimate national interest.

On the basis of geographic location, because the needs of the Federal Republic of Germany as regards security policy cannot be satisfied by unilateral national action. The regulations of the constitution, the fundamental law of the Federal Republic, takes into account historical experience and geographical location. The fundamental law, more so than other constitutions, opens up the possibility of transferring sovereign rights to international organizations.

The readiness to transfer national sovereign rights to international organizations in the interest of securing peace signifies historical progress. The renationalization of political security solutions implies more risk than positive opportunities for German politics. A positive element is the supplementation and overcoming of the blocs by supervening East-West cooperation with the objective of evaluating a European peace arrangement. However, the requirement for a renationalization of German security policy is counterproductive for the objective of a European peace arrangement. This would include neutrality of a separation of the two German states from their military alliances.

Efforts for better coordination of the Western European interests within the Atlantic Alliance do deserve support. But, now as before, it is unrealistic in the longer term to suspect that this European cooperation in the area of security and defense policy and in the area of arms production could replace the alliance with the USA.

Unilateral Disarmament

The Greens demand unilateral disarmament steps. These are supposed to assist in overcoming the international system of threats. Here, the Greens do see the risk of unilateral initial action. But they consider this risk less than the danger associated with unrestrained armament in the East and West. They regard the Soviet threat to Western Europe as a reaction to Western military potentials: "The concept of unilateral disarmament steps is based on the conviction that an actual threat to Western Europe from the Soviet Union exists only to the extent that the Soviet Union regards itself as facing a threatening military potential and that only in this way can the armament spiral be broken. The 'risk' of unilateral disarmament can return to the people of the East and West a hope for a permanent prevention of a third world war, which the madness of unrestrained armament has already shattered too far." (GAL, Hamburg)

Unilateral disarmament steps are, for the Greens, the necessary consequence of unsuccessful disarmament efforts and of the unsatisfactory results of negotiations and treaties: "All hopes of stopping this armaments race through disarmament negotiations have up to now been betrayed. Despite the SALT treaties, which have frozen the number of nuclear weapons carried, the number of nuclear warheads has multiplied many times. At the current disarmament negotiations in Geneva, concerning strategic weapons in Europe, the Reagan government has proposed an offer for a 'zero solution'. According to this 'zero solution', the Soviet Union by itself is to scrap its medium range weapons in Europe, if NATO is to give up stationing the Pershing II missiles and Cruise missiles. Here, it is deliberately suppressed that the NATO states already have available at least an equivalent sea-launched medium range potential. Furthermore, the NATO armament program of sea-launched nuclear missiles and the nuclear armament program of England and France, each of which is supposed to have available more than 5000 nuclear missiles by the end of the 80's, is not affected by this stultifying zero solution." (GAL, Hamburg)

From their critique of the Western negotiation position, the Greens draw the conclusion: "For this reason, we demand unambiguously and unconditionally that no Pershing Ib, Pershing II, and Cruise missiles be stationed in the Federal Republic, regardless of the results of the Geneva conference." (GAL, Hamburg)

It is not the intention of the Greens to provide military and political advantages to the Soviet Union by unilateral disarmament steps on the part of the West. The example of unilateral disarmament steps in the West is supposed to stimulate corresponding steps in the East. It is consonant with the logic of this concept that these steps will be demanded from the opposite side all the more emphatically, after such disarmament steps have been implemented for one's own side. The Greens see the disadvantage that unilateral measures are legally non-binding and consequently can easily be withdrawn again. Such uncertainties can act so as to heighten a crisis, especially in situations of increased political and also military tension. But they accept the disadvantage deliberately or they finally do require the consummation of unilateral disarmament steps by negotiations which are binding on both sides.

The Greens see the problem that one-sided armament restrictions in the past were scarcely perceived as an invitation for imitation. They know that the leadership of the Soviet Union rejects the concept of unilateral disarmament just as emphatically as the present leadership of the USA. For this reason, they demand bloc-transcending actions of autonomous peace movements in the East and West in place of the unpromising and stagnating negotiations between governments.

Peace Movement and National Negotiation Policy

This concept is self-coherent. It only has the disadvantage that, in its practical application, it encounters still greater resistances and contradictions than arms control negotiations between governments:

Now as before, the influence of socially critical and autonomous peace movements on security policy is greater in Western societies than in the Eastern European states. This means that, in contradiction to the political intention of the autonomous peace movements, their pressure towards disarmament decisions in Eastern Europe at this time is still less than in the West.

However, if autonomous peace movements were to try to extend significantly their political field of action in Eastern Europe, the Eastern European governments would perceive this as even more threatening than any individual armament measure on the part of the West: Such an influential autonomous peace movement would not only restrict the action context for security policy of the respective governments, but would also jeopardize the societal order prevailing there. This is the reason why the governments of Eastern Europe react with stringent repressive measures even to the first signs of a forming autonomous peace movement.

In the Western democracies, a constructively supplementary relationship between reform-oriented parliamentary majorities and autonomous peace movements is conceivable and desirable. Just for the sake of their own credibility, critical and autonomous peace movements in the West must behave in solidary fashion towards corresponding efforts in the Eastern European states.

But, in the interest of peace, the Federal government must also strive for contractual partnership with the governments in the Eastern European states, if these governments, in their countries, suppress and persecute autonomous peace movements. Social reforms in Eastern Europe are a legitimate objective of détente policy. Whoever wants to make these a precondition of cooperation with Eastern Europe jeopardizes this objective and blocks the process which could lead to common security and thus to a security partnership.

The SPD supports unilateral disarmament steps and trust-building measures that are responsible in terms of security policy. The SPD sees the positive role of the peace movement. But unilateral disarmament steps and the peace movement cannot replace the will to balance out interests, to make compromises, and to form contractually regulated relationships between governments and nations. This is the conceptual core of the Social Democratic conception of a security partnership between the East and the West.

Demilitarization of the Federal Republic

According to the ideas of the Greens, the Federal Republic should set an example in disarmament. Long term objectives are: The dissolution of the German Federal Armed Forces, the abolishment of the armaments industry, and the redirecting of its production to "socially useful goods", as well as the elimination of everything that is reminiscent of the military. Naturally, this cannot be done by tomorrow: "Disarmament is not to be understood as a one-time or sudden event, but as a long-term social process, which is conceivable only as the result of consistent political action". (The Greens - Hessen)

For this reason, the Greens are at first concentrating on all demands which have as their objective an expansion of the Civil Service, so as to approach more closely to a reduction of the Armed Forces and to the requirement for voluntary social service:

- The right for conscientious objection must have unrestricted validity. This means the abolition of the discriminating test of conscience and the shortening of the civil service to the duration of armed service.

- Equivalent treatment of civil service personnel and armed forces personnel.
- Free political and trade activity for soldiers and civil servants.
- Elimination of barracks duty for soldiers and civil servants.
- Free selection of work location by civil servants according to possibility, and no reduction of plan items at the cost of utilizing civil servants."

The following also belong to this list of demands:

- Reduction of maneuver areas and ecologically responsible recultivation of the damaged terrain.
- Prohibiting the armed forces from recruiting in schools.
- Prohibiting the sale of war toys and of books and films that glorify violence.
- World-wide denunciation of all politicians, scientists, military strategists and military technicians, who plan, erect, operate, or support techniques such as weapons systems which can be used for mass annihilation and genocide. In case of actual use or war, responsibility before international court, for whose establishment we must strive" (The Greens, Federal Program)

As regards the demand for abolishing the armaments industry, an example from the "peace program" of the GAL Hamburg: "The retrenchment policy of the government just in the social area makes clear that armaments continue to have political priority. Today, in a financial crisis of the state, additional expensive armaments programs are actually being pushed ahead, and are financed partially by a reduction of the living standard (reduction of social services and wage levels). Furthermore, arms production prevents a serious fight against hunger and poverty in the third world countries (the per capita armament expenditures of a starving person amount to 200 DM world-wide!).

We reject in principle the production of armament goods, since they are preparing for organized genocide.

For Hamburg, we demand the destruction of all armaments goods, and as a first step to this the public registration, furthermore the restriction, and finally the cessation of any and all armament production. For years, it could be concealed that chemical weapons were produced and stored in Hamburg itself, and were being delivered to the Federal Armed Forces and to the Hamburg police (Stoltzenberg scandal). For this reason, we will stand for a prohibition against armaments production in Hamburg."

The Greens try to meet realistically the internal political resistances against demilitarization of the Federal Republic. But, in contrast to the SPD, they generally blank out the limits of unilateral disarmament for the Federal Republic, which are set by the armaments of the Warsaw Pact and by Western Alliance obligations. Their critique against the existing order complements, in terms of a "positive strategy", by educational and instruction programs for non-violent action, the support of all associations which render antimilitaristic work, as well as stronger support of peace and conflict research. Their alternative demands flow together in the concept of social defense."

Social Defense

With the concept of "social defense", society internally is supposed to be transformed in the direction of civil courage, legitimate forms of resistance, and alternative and decentralized structures in the economy, politics, and society. Externally, "social defense" is supposed to fend off potential opponents from aggression:

- "- Social resistance is a non-military method of defense, which is directed against all forms of violence. Violence also includes the restriction of freedom and of civil rights and the attack on the natural foundations of the populace.
- Social resistance is based on the basic idea that a people cannot be permanently controlled if it is not ready to collaborate with the oppressor.
- Social resistance does not aim at the defense of a boundary or an area, but on the defense of forms of democratic coexistence. It is all the more successful - and the military procedures of an aggressor are all the less effective - the more the society is practiced in active democratic coexistence.
- A society without military armament cannot represent a threat to any other society. For a possible attacker, an important motivation is thereby obviated.
- Social resistance is unconditionally non-violent, because the objective and the means thereto must agree. However, it is a misunderstanding to make non-violence equivalent to "passivity" or "legality". Non-violence, however, in every case excludes injury to persons.
- Social resistance starts from violation of rules and laws if other means are insufficient. This can go as far as specific acts of sabotage, where the desired effect should be achieved with the minimal means. If the law is structured so that it forces you to become the instrument of the injustice of another, it is necessary to break such a law.
- Social resistance aims for disarmament, clarification, modification, and elimination of conditions that build on violence. It is not the human person who is seen as the opponent, but his role as a representative of destructive structures.
- Social resistance is decentralized in its forms. It can always be organized - but best within and together with a society that has no power and profit interests.
- Social resistance reduces the combat readiness of a possible attacker, since this type of resistance makes clear the unlawfulness of an aggression." (The Greens - Hessen, Provincial Program).

Theodor Ebert includes among the threat scenarios, for whose defense the concept of social defense is to serve, even the defense against armed interventions of foreigners living in the Federal Republic of Germany, "who arm themselves or who represent national minorities striving for their own government and for control over a particular territory" (Mediatus, No. 7, 1983).

The concept of social defense legitimizes in certain situations the right of resistance even against legal institutions and decision in a parliamentary democracy. Forms of civil resistance are deemed legitimate, for example, even against a possible stationing of Pershing II missiles and Cruise missiles. Thus, the Greens, as a parliamentary party, are in conflict with their intention to use the existing, democratically legitimated institutions for reform and thus to create a new legality as the result of parliamentary majority decisions.

The SPD would like to make the stationing of medium range weapons superfluous by negotiations. The SPD, as a parliamentary party, within the framework of a functioning democracy, will not be able to call upon resistance against a possible stationing of new medium range weapons, in the sense of Article 20 of the Constitution, if such a stationing is to be implemented against its wishes on the basis of a parliamentary majority decision. The appeal to missed resistance after the National Socialist seizure of power in this case leads to error and confusion both materially and historically.

The practice of civil resistance today is also useful for training social defense against a potential aggressor from the outside and against the occupation that is associated therewith. The concept of "social defense" presupposes that the unarmed one will not be attacked, because he himself represents no danger. But this is very uncertain and at most concerns a single one of numerous reasons for war: the preventive strike, which is undertaken from fear of otherwise being destroyed oneself by the weapons of the party whom one attacks. All aggressions that are differently motivated would not only not be prevented in this fashion, but possibly would even be favored. Furthermore, it is extraordinarily improbable that a social and weaponless defense could be sustained for a longer period of time against an occupying force, which is ready to use military force even against forms of civil resistance. For this reason, the concept is altogether insufficient for the requirements of an effective protection of the peace.

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GREENS' KELLY ON INF, USE OF NUCLEAR WEAPONS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 29 Apr 83 p 10

[Article entitled: "The First Use of Nuclear Weapons Is in Violation of International Law. Petra Kelly's Reply to the Comment of the Two Politicians Alois Mertes and Georg Leber to the Pastoral Letter of the American Bishops"]

[Text] With "concerned greetings" Petra Kelly, Bundestag member representing the Greens, signed her reply to the comment of the two politicians Alois Mertes (CDU) and Georg Leber (SPD) on the pastoral letter of the American bishops, printed in FRANKFURTER RUNDSCHAU in this place on 15 April. In its essence, Petra Kelly writes, the letter of the two politicians turns against the "demand to exclude the first use of nuclear weapons". "The two politicians thus demand that the United States, faced with conventional defeat in a war, should drop nuclear bombs on our own land. . . and thus on us," writes Mrs. Kelly in her reply letter. We are publishing her statements verbatim:

Dear Dr. Leber, Dear Dr. Mertes,

I thank you for sending me a copy of your letter to the chairman of the National Conference of Catholic Bishops of the United States, dated March 14, 1983. Please allow me the following comment:

In its essence your letter is directed against the "demand for the abandonment of the defensive option of a first use of nuclear weapons".

With regard to definitions: A "defensive", i. e., a defending use of nuclear weapons is impossible, and specifically because of the reaction of the enemy, which with certainty can also be expected in the form of a nuclear strike--a reaction which inevitably destroys what was to be defended. Because of their great and indiscriminate destruction and poisoning effect, nuclear weapons are exclusively suited for purposes of aggression and revenge.

Thus your letter in fact is directed against the demand to exclude the first use of nuclear weapons; i. e., you demand that the United States, if faced with the danger of a conventional defeat, should drop nuclear weapons on our own country, the central battlefield of a war in Europe, and thus on ourselves --that is to say, in the manner envisaged by current NATO planning.

The first use of nuclear weapons, according to the Basic Law (Article 25: International law takes precedence over federal law), is not a matter for decision by citizens of the FRG, nor a matter for your decision. Rather, according to the following reason, the first use of nuclear weapons is prohibited on the basis of the general rules of international law, consequently also according to the Basic Law. This prohibition exists unconditionally, that is independently of peace or war, as well as independently of the conduct of other states.

The first use, but any other use of nuclear weapons as well, is in violation of international law, among other things because of the following contract provisions of the humanitarian international conventions on war, which are included in the general rules of international law:

1. The first use of nuclear weapons against an enemy fighting with non-nuclear weapons (first use) is a disproportionate means; you mention this principle of law on p 6 of your letter (Petersburg Declaration of 1868 ("The only legitimate goal. . . in case of war. . . consists in weakening the military forces of the enemy")); The Hague Convention on Land War (HLKO) of 1907, Art. 22).
2. Nuclear weapons inflict indiscriminate damage on the civilian population and thus violate the principle of international law which calls for the preservation of the civilian population, which you mention on p 6 of your letter (and which is laid down in the Martensian clause of the HLKO of 1907, in the Geneva Agreements of 1949, as well as quite concretely in the Supplemental Protocol I of 1977 to the Geneva Agreement of 1949. The FRG government, after more than 5 years, still has not submitted the latter protocol for ratification--a protocol which is of such signal importance for the survival of the German civilian population.
3. Any use of nuclear bombs gives no quarter and causes unnecessary suffering (Petersburg Declaration of 1868 ; HLKO of 1907, Art. 23c, 23d).
4. Any use of nuclear weapons violates the prohibition of poisoning of the HLKO of 1907 (Art. 23a), as well as the Geneva Protocol on Poison Gas of 1925: The damage mechanism of radioactive radiation in the organism proceeds through a chemical mechanism; the radioactive fallout from nuclear explosions in its poisonousness is comparable to the super poison dioxin, which is known from the Seveso catastrophe and the chemical warfare of the United States in Vietnam.
5. Because of the radioactive fallout, nuclear weapons violate the Prohibition of Environmental War of 1977, which was ratified by the FRG in 1982. A particularly clear violation of this kind is found in the deployment planning of nuclear weapons, already practiced by the US Army in maneuvers in Hessen, which to a large extent is still unknown to the public: Not individually, but in "packages" of 50 to 200 nuclear weapons, ignited within at most 2 hours closely together in the FRG. Consequence: Not only the extermination of all life in the area affected (the size of a federal state), but also the long-term plutonium poisoning of this area lasting thousands of years: The in this way "defended" area can never be inhabited again. (The time limit of the "package" use to at most 2 hours shall make sure that these massive deployments of nuclear weapons remain restricted to Central Europe: The enemy is supposed to recognize that the United States has voluntarily ceased firing nuclear weapons and

and is not to bombard the United States with nuclear weapons in the mistaken belief that a general nuclear war has broken out; thus the U.S. Army Manual RB 100-30, Vol I). This deployment planning in the course of "flexible response", against which the FRG government has not reserved a veto possibility, is surely known to you; one can read about it, inter alia, in the American field handbooks FM 100-5 and RB 100-30, Vol I. You, Dr. Leber, paraphrase this step-by-step escalation of the nuclear war in Europe on p 279 of your book "Of Peace" (Stuttgart: Seewald Verlag, 1979). This voluntarily accepted nuclear threat to the FRG by its ally, the United States, must be taken at least as seriously as the nuclear threat posed by the Soviet Union.

6. Nuclear weapons injure and torture inescapably, through the heredity-altering effects of radioactivity, non-participant descendants.

On the basis of this legal situation, any use of nuclear weapons is in violation of international law, i. e., a war crime. Freedom to decide on such uses without violation of valid international law does not exist.

We should recall the fact at this point that during the Second World War, that is precisely 40 years ago, the two democracies, Great Britain and the United States, officially undertook the break with the principle of the protection of the civilian population: The "Casablanca-Directive" of January 1943 arranged for the intensified carpet bombing of German--and later on Japanese--cities ("moral bombing") and marked the beginning of a chain of war crimes on the part of Great Britain and the United States, to which 70 German and 70 Japanese cities fell a victim, war crimes which up to now have been driven out of the public consciousness.

Even in our democracy the conception, which is set down in the U. S. Army Field Handbook FM 101-31-1 (Paragraph 24) and which is in violation of international law, has found currency that "military necessities" can justify the violation of the elementary rules of international law; your presentation on p 7, too, has this content: "The core of Western strategy, however, is the threat of escalation. The option of the first use of nuclear weapons, indeed, ultimately the general nuclear reaction itself, which could make any differentiation between military targets and civilian persons impossible, cannot be excluded."

The conception, that the validity of international law is dependent on the military situation, is a modification of the principle: "Lawful is what is useful" --infamous from the Nazi era--a principle which is the cause of the crimes of Auschwitz, Dresden, Hiroshima, Hanoi 1972 and Beirut 1982. The peace injunction of our Basic Law, with the absolute and unconditional precedence of international law over all national laws which distinguishes the FRG, was to have put an end to this mental attitude once and for all.

In view of this state of affairs, the American bishops in their pastoral letter confirm nothing else but the validity of the prevailing secular law; the bishops confirm that Catholic ethics and morals are not inferior to secular law. This confirmation should be superfluous because it is self-evident. That it is nevertheless necessary and that it is obviously controversial, not in totalitarian tyrannies, but in the great democracy of the FRG, shows the poor state of legal consciousness in our country.

If you were American citizens, your intervention would have a certain opportunistic logic in the sense of the desired military success of your country. However, that you, as German citizens, demand the use of foreign means of mass destruction against your own population, with the result of the extermination of your own people, indeed of your own family, remains incomprehensible.

In addition, your advocacy of American interests is incomprehensible to me, given your expertise of the military sphere due to your profession. You know in greater detail than I do that this year the most modern, and thus the most dangerous strategic nuclear weapons in the world--in the form of the American Pershing 2 rockets--are to be placed in the FRG, and nowhere else.

--fast and accurate, but always capable of being trailed in the FRG and, in case of attack by the enemy, destroyed within minutes, therefore unsuitable for deterrence, but suitable for nothing else than the first strike (= surprise attack) and the extortionate threat, thus as an action disturbing the peace in violation of the Basic Law (Art. 26.1).

--shabbily justified by the alleged novel threat posed by 1,000 Soviet SS-20 warheads, disregarding the threat by such medium-range warheads that has been in existence for over 20 years, disregarding the by far greater threat posed by 5,000 intercontinental warheads (which, of course, can also cover a shorter distance). The stationing of the Pershing-2 cannot be justified on the basis of the Soviet SS-20 rockets.

--the most important strategic weapons of the United States until 1988 (i. e., until the introduction of the accurate Trident-2 submarine rocket); for this reason the effort on the part of the United States to station this rocket at any cost in the FRG and to frustrate the results of negotiations in Geneva that aim in a different direction. The U.S. strategy, which aspires to the first-strike capability, during the years 1983 to 1988 stands and falls with the stationing of the Pershing-2 rockets in the FRG.

--for the first time posing a direct threat to the existence of the Soviet political and military command structure, thus inducements, indeed downright bait for Soviet preventive attacks against the Pershing-2 positions in the FRG.

--as a result of the short warning time forcing the Soviet Union to switch to an automatic counterstrike without a political decision, and specifically in response to an alarm message "Attack with Pershing-2"--which can no longer be checked within minutes' speed. Thus increasing the danger of the outbreak of war through computer error to an immeasurable extent; you refer to this danger on p 6 of your letter.

--cause of a "reverse Cuba-crisis" which confronts us with the stationing of the Pershing-2.

--different from numerous other nuclear weapons, which are stationed on the basis of the "two-key-system", i. e., with a practical German veto-right: Pershing-2 rockets exclusively under American command, without a German veto-possibility against the arbitrary firing of these weapons by the United States;

with the surrender of our responsibility under international law for any deployment of weapons from our soil to a foreign power, we are burdening ourselves with guilt. Not our allies, but WE are responsible for all war crimes committed by our own or allied forces on or from the territory of the FRG.

--depriving the FRG-government of the possibility--envisaged in the NATO Agreement (Art. 5)--in case of war "to take measures which it regards as necessary to reestablish the security of the North-Atlantic area and to maintain it", thus an infringement on the sovereignty of the FRG. In the case of an American attempt to expand a U. S. national war--e. g., in the Near East--to Europe, the FRG-government, with Pershing-2 rockets under American command in the country, does not have the possibly life-saving possibility of deciding to do nothing, to remain neutral.

--to summarize: Pershing-2 rockets in the FRG are the live fuse for the Third World War, an unacceptable peril to the life of the FRG.

The stationing of up to 464 land-based cruise missiles envisaged in addition to the Pershing-2 rockets, missiles which are as little capable of surviving as the Pershing-2, in Western Europe is without military significance in view of the parallel procurement of 10-times the number of nuclear cruise missiles for U.S. national aircraft and ships, with equal destructive effect on the target far better protected in this stationing mode than on land and in so doing in the position to fire at the Soviet Union from the same range of fire, e. g., from the Bay of Heligoland. Evidently, the cruise missiles are supposed to confuse the public and to make light of the danger of the smaller number of Pershing-2 rockets.

The danger of nuclear war, which lately has increased acutely, has its source in technical developments without political control. The "balance of deterrence"--if it ever existed--has tipped over: The United States, which always has held the advantage over the Soviet Union militarily, geographically and economically, is now on the way to nuclear first-strike capability. If for two decades--perhaps?--there was stability: "Whoever fires first, dies second", the first-strike capability leads to instability: "Whoever fires first may hope to disarm the other side". Once a superpower has the first-strike capability, the first serious crisis must lead to nuclear war.

For the FRG-government the issue long since has ceased to be the preservation of a certain state FORM, but involves simply the preservation of the SUBSTANCE in an extremely unfavorable geographical situation in the midst of two superpowers headed for a collision. Our interests are neither those of the Soviet Union nor those of the United States.

The 1970 White Book of the FRG-government emphasizes expressly the priority of the "survival" of the FRG and its citizens" (p 3). In the 1975-76 White Book signed by you, Dr. Leber, there is no longer any reference to this.

I would like to contradict, furthermore, your statement (p 10): "The existence of nuclear weapons is irreversible". If this were in fact so, I would not have the strength for my work, which I derive from the conviction that ultimately

the practice of the governments, of blackmailing each other with the mass murder of their nations, will be ended by the joint resistance of the nations which are threatened with death.

In conclusion, please allow me--independent of the clear situation under international law--to put the following question to you:

Can there be any political, military or other circumstances in the interest of the German population which justifies [sic] the use of even only a single nuclear weapon against a target on German soil?

8970

CSO: 3620/347

BRIEFS

BODSTROM ON PEACE MOVEMENT ROLE--"The Soviet and U.S. proposals on nuclear weapons in Europe in recent months have had propaganda elements. But they still indicate that the governments of the superpowers are feeling the pressure of strong public opinion." So said Foreign Minister Lennart Bodstrom on Sunday when he addressed the general assembly of the Coordinating Body for the National Youth Committees (GENYC) in Lidings. He said that popular movements have an important role to play in the work for peace and arms reduction and that one cannot overestimate the importance that cooperation among union, political and other organizations in different countries has in increasing understanding among peoples. Bodstrom also dealt with the economic situation in a West Europe with between 7 and 8 million people out of work. "Youth organizations can make great efforts to enable politicians to pursue a policy of full employment and they can stimulate young people to work for a better society instead of turning their backs on it." [Text] [Stockholm DAGENS NYHETER in Swedish 16 May 83 p 6] 6578

CSO: 3650/189

DIEGO DE PRADO RANSOM TO BE PAID IN VENEZUELA

Madrid YA in Spanish 4 May 83 p 11

[Text] The 1.2 billion pesetas demanded by the ETA [Basque Fatherland and Liberty Group] military terrorist organization for freeing financier Diego de Prado y Colon de Carvajal, kidnapped late last March, will be paid at some point in Caracas or elsewhere in Venezuela, according to what YA has learned from generally well-informed sources.

The family of the victim apparently received a note a few days ago--a note considered authentic by the police--in which the kidnapers repeated that their demands were economic in nature and not political. According to the same sources, the "milis" are in need of money to pay the expenses of the 500 or 600 families that depend on the organization as well as for the infrastructure of apartments, automobiles and informers, while they are convinced that at this time it would be unthinkable to try to achieve the liberation of a determined number of militants now incarcerated in different Spanish prisons.

The same sources of information have explained that the leadership of the ETA military gave the order to kill financier Diego de Prado several days ago, but the "execution" was suspended with the opening of a new "line of contacts" which presumably are being completed in France by Jesus Martinez, the commissioner general of information and a functionary of the Central Information Brigade named Pedro Suarez, who had been sent by the Interior Ministry to negotiate the banker's liberation.

Reliable sources have told us that the French police is actively collaborating with the Spanish Government and that this joint strategy comprises principally the tapping of the telephones of several of the top leaders of the ETA military terrorist organization in exchange for the delivery of an individual who is in Spain and whose arrest and extradition are of interest to the Paris authorities.

One of the persons presumably implicated in the kidnapping of Diego de Prado may be the ETA leader Gantxegui, whose telephone in the French Basque country was tapped by the Spanish police, identifying some of the activists

captured several days ago in the "free apartments" on Dr Federico Rubio y Gali Street and Martinez Izquierdo Street in Madrid. This man, together with Carlos Ibarguyen, is responsible for the international relations of ETA's "military branch" and it is believed that they could have given instructions to the ETA colony in Venezuela on how to collect the ransom of Diego de Prado y Colon de Carvajal.

The sources consulted by YA have agreed that the Prado y Colon de Carvajal family does not have the 1.2 billion demanded by the Etarras. Nevertheless, this enormous sum could be amassed with the help of various petroleum companies in which the Prado y Colon de Carvajal family has influence in one way or another. Apparently this kind of exchange would have been chosen by the terrorist organization when they discovered that the French police have been collaborating very closely with the Spanish Interior Ministry ever since Mr Barrionuevo's visit to Paris.

Furthermore, Manuel Ballesteros, the former head of the Unified Command for Counter-Terrorist Struggle and Joaquin Domingo Martorell, former leader of the Central Information Brigade, are now in Venezuela. Although it is said officially that both commissioners have gone to South America "to prepare a report on the presence of ETA members in that country," other rumors do not discount the possibility that they have really gone there to ensure that the negotiations under way for the liberation of financier Diego de Prado will be successful.

The existence of contacts between the military ETA and the family of Diego de Prado cannot be denied. However, there is no indication as to the whereabouts of the hostage, since although sources close to the Interior Ministry affirm that the kidnapping victim is still in some "free apartment" in the Spanish capital, in other police circles this hypothesis is considered totally unacceptable. They favor the hypothesis that the victim and his guards are in some refuge several hundred kilometers from Madrid.

12,116
CSO: 3548/402

DECLINE IN OIL PRICES TO AFFECT BOTH OFFSHORE, MAINLAND ECONOMY

Increasing Symptoms of Crisis Despite Oil

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 Section II p I

[Article by Karin Henriksson and Johan Myrsten]

[Text] Oslo--Small signs of a price rise for basic industries are providing a glimmer of hope for the Norwegian economy, which has been increasingly reminded this winter that oil and gas are not enough to protect it from the symptoms of crisis in the Western world. Most noticeable is the fact that the barriers against unemployment have slipped, with the result that unemployment has doubled since last summer.

The Norwegians have a lot to worry about:

Willingness to invest is falling sharply, more plant closures are imminent, inflation is dropping more slowly than in competing countries, competitiveness is continuing to grow weaker, exports fell last year, productivity is still regarded as too low, and the drop in oil prices has brought greater uncertainty as to future oil revenues. And the important wage negotiations have wound up in a critical situation with intensive and protracted wrangling--even though the demands presented by the LO [Norwegian Federation of Trade Unions] are considered moderate.

Things look gloomy--extremely gloomy.

But Norway has had the North Sea to lift money out of. Instead of giant debts, Norway has a surplus both in its national budget and in its current foreign trade.

Austerity Around the Corner

For a number of years, the oil money was enough to keep crisis-ridden firms afloat and increase welfare in the form of more and more public facilities--hospitals and schools, for example. Now austerity is around the corner in both areas. The Conservative government wants to get an industrial renewal underway: traditional Norwegian industry--based on raw materials and with too narrow a base--is facing poor prospects for the future. Growth in the public sector is stagnating.

And here we touch on a controversial major political issue. Many people are asking: "Can't we afford to increase social benefits for the citizens with our oil?" Critics say that the welfare system has already been undermined in various ways over the past several years, chiefly by not raising pensions enough to keep pace with inflation.

Losing Markets

How do the politicians themselves see the situation?

Kjell Storvik, under secretary of the treasury, says:

"Our biggest problem is the rise in prices and wages. While the inflation rate in the countries with which we compete is 5 percent, the annual rate here is between 8 and 10 percent. Our competitiveness is declining and causing us to lose more of our market shares abroad."

According to Kjell Storvik, those lost market shares and the international recession are the main causes of unemployment.

"In addition to that, our industrial investments were down by 15 percent in 1982, and they are down by about the same amount this year."

It is true that the decline in government revenues due to the drop in oil prices has not exceeded the corresponding reserves. But the lower oil prices may make future tax cuts difficult.

The government's chief weapon against the economic problems has been tax cuts. Storvik feels that the government has already accomplished some things through its policy: inflation has been forced down from between 13 and 14 percent since 1981, and tax cuts have put a damper on wage demands.

"The problem is not so much the wage agreements themselves as it is wage drift."

Overall, Kjell Storvik feels that the government is pursuing a "reasonably expansionary policy" as regards both finance and credit (the money supply is increasing at an annual rate of about 11 percent). But the government does not want to reduce the level of interest rates until prices rises have slowed some more.

Gunnar Berge, the Labor Party's economic spokesman in Parliament, feels, on the other hand, that the government is pursuing a policy of restraint and that its policy is partly to blame for higher unemployment. He feels that layoffs have also become more acceptable psychologically under the Conservative government.

"Our chief criticism of the government's policy is that it has been unable to prevent the rise in unemployment."

According to Berge, the Labor Party offers the following alternatives: more specific measures must be adopted to stimulate conversions, innovation, research, and product development. Interest rates must come down to stimulate investment

and reduce costs. Weak firms ought to be closed down in time, but the government should control the location of firms so as to save employment in threatened fjords and outlying districts. In this respect, the offshore industry is a key sector.

The public sector should not be cut back, since industry--even strengthened industry--will never be able to increase its employment rolls, Berge emphasizes. Taxes must remain high, and the majority must accept lower real wages. If anything, the government's tax cut made the wage negotiations more difficult because it favored mostly those with high incomes, says Berge.

Control Necessary

The LO's criticism of the government is concerned primarily with three points: it has done too little to stimulate industrial investment, it is cutting back government investment by 5 percent, and it is not promoting economic activity in the municipalities and counties.

Ulf Sand, an LO economist and former minister of finance, says:

"We believe that the Conservatives are going to let up on control of the firms, and that is a mistake in a country with Norway's geographical and economic characteristics.

"The municipalities can play an active role in creating new jobs as the old jobs disappear. I believe that people would rather change jobs than move.

"Norway has several advantages: oil, energy, and freedom of action as far as foreign trade is concerned. I therefore believe that unemployment can drop to a low level again."

According to Knut Lofstad, managing director of the Federation of Norwegian Industries, the alternative proposals put forward by the federation last summer came as a big surprise to the authorities. He was one of the authors of those proposals.

"Industry has to drag along with burdens that we could afford in the 1960's, and we are trying to get the debate moving in the right direction.

"For years, we in Norway have used our resources to preserve the status quo, not to change things. What we need now is a more target-oriented concentration on research and development. Most of it takes place currently in government institutions, and communication with the firms ought to be improved. The firms should also be helped to become more internationalized. Norway has a very low rate of new business starts, the stock market is dismal, and venture capital does not exist in Norway. There is also a shortage of technically trained personnel--the oil industry has taken the best, and no one can compete with the oil industry when it comes to pay and working conditions."

Earnings Too Low

Egil Bakke, chief economist for the Federation of Norwegian Industries (and soon to become head of the Norwegian Price Control Board), maintains that the chief problem is not the economic situation but the fact that Norway's earnings from its production have been too low.

Bakke says that development must take place in two stages. First, production that is subject to competition must be allowed to fend for itself without interference (even though increased efficiency means fewer jobs). After that, employment in the sector subject to competition can be expanded, and Norway can then have both TV 2 and opera houses.

The drop in oil prices leads Egil Bakke to express himself pointedly:

"The immediate effect will be lower government revenues. But the number of banknotes being printed will remain the same. Oil, of course, has made up for the tax revenues that we have not wanted to pay. So the drop in oil prices may create problems in immediate liquidity but lead to healthier habits in the long run."

Trond Reinertsen, managing director of the Norwegian Bankers Association, emphasizes another aspect, which is that government subsidies for the firms have protected the banks from losses.

"There is no longer any market for many of the products manufactured in Norway. So subsidies do not help, and it does not seem that things can be straightened out in a year or two. The market has passed us by in some areas. The subsidy policy is becoming too expensive, and conversions may result in greater losses during a transitional period. The banks will not be unaffected by this."

"Many Healthy Signs"

A third bank economist, Tormod Andreassen of the Christiania Bank and Credit Fund, is more optimistic.

He maintains that with its big investments (including between 20 billion and 35 billion kroner in the North Sea), Norway is using its money in a completely different manner than most other countries. Private consumption is only 47 percent of the GNP, compared to 57 percent in the FRG and 65 percent in the United States. Andreassen feels that actually, public consumption is also proportionately low in Norway.

"The problem is that the oil investments have not paid off yet."

Tormod Andreassen also sees a number of bright spots in the short term: the price of raw materials such as pulp and aluminum is rising, export orders are increasing, the capital market is being liberalized, and some borderline interest rates have started to decline. Andreassen feels that overall, a loosening of the long-time tight central control of the Norwegian economy is occurring.

"I believe that we have terrifically big opportunities. There are many healthy signs in the Norwegian economy."

Falling Oil Prices May Delay Some Investments

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 Section II p II

[Article by Johan Myrsten]

[Text] Stavanger and Oslo--The drop in oil prices may lead to a postponement of the decisions to invest in some new North Sea fields. If so, Norway may experience a slight dip in production in the early 1990's. But investments already begun will roll on as planned, and it does not seem that really long-term plans have been affected.

The only thing happening for sure is that the government's oil revenues are dropping by about 1 billion kroner for every drop of \$1 in the price per barrel.

Norway's oil experts expect in general that the oil price will soon rise again, probably in 1 or 2 years at most.

Under Secretary Hans Henrik Ramm of the Ministry of Oil and Energy says: "There are those who believe that the farther the price drops now, the higher it will go later. I agree with that. But this yo-yo effect needs to be limited."

Farouk Al-Kasim, manager of the Petroleum Directorate in Stavanger, says: "What is happening with oil prices today is important only if it has the effect of frightening investors. It may result in a delay of certain projects. But sooner or later, a drop in prices must necessarily be followed by a price increase."

No One Knows for Sure

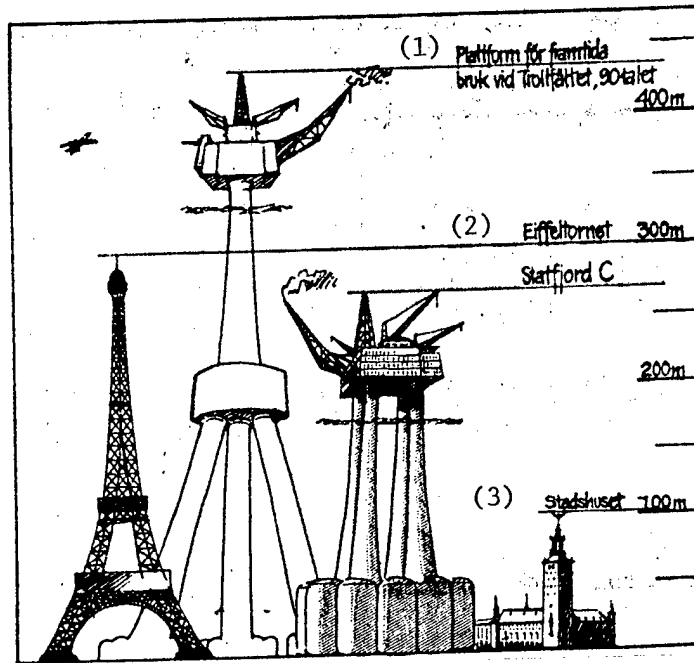
Al-Kasim, an Iraqi who has lived in Norway since 1968, says that all long-term predictions concerning oil prices are a matter of economic religion.

Al-Kasim says: "I call it religion because everyone is entitled to his own opinions. One thing is clear: no one can know today what the price will be 9 years from now. And the interesting point as far as an investment today is concerned is what the price will be 9 years from now, when that investment is complete."

There are primarily two big oilfields whose development is now awaiting a decision.

According to a very well-informed source, it is possible that the current talks on whether to develop the gas-rich Sleipner field west of Stavanger will be postponed.

In the case of the Oseberg oil and gas field west of Bergen, the current price level is sufficient to make extraction profitable, says Per Erik Bjorklund of the Information Department at Norwegian Hydro, which is responsible for operations.

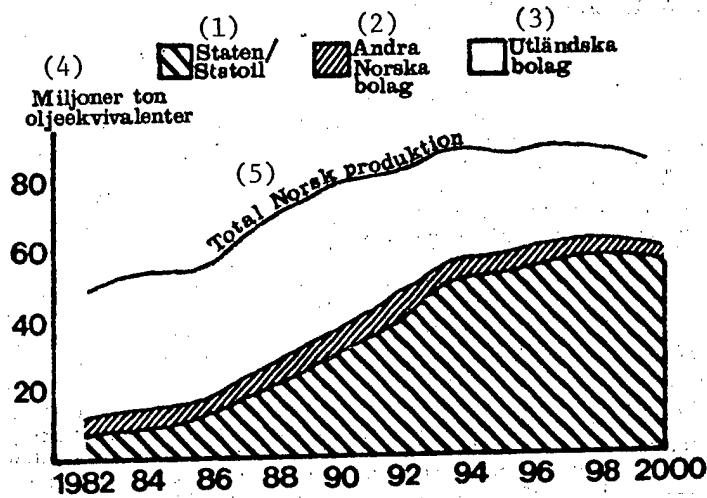


Artist: Bengt Salomonsson

The structures being placed on the bottom of the North Sea are huge. Statfjord C, which will begin production in 1985 at a depth of just over 150 meters, weighs 750,000 deadweight tons. The future platforms in the Troll field may take different forms, but with a depth of 350 meters, giants taller than the Eiffel Tower will be required.

Key:

1. Platform for future use in the Troll field (in the 1990's)
2. Eiffel Tower
3. Stockholm City Hall



After remaining constant at almost exactly 50 million tons of oil equivalent (divided about equally between oil and gas), Norway's oil and gas production is expected to rise steadily through the end of the 1980's and the early 1990's. At the same time, Statoil's share will increase very sharply. The diagram shows how the situation will develop if Statoil takes advantage of all its rights under the so-called sliding scale. Source: "Statoil Analysis of Prospects, 1982."

Key:

1. Government and Statoil
2. Other Norwegian companies
3. Foreign companies
4. Millions of tons of oil equivalent
5. Total Norwegian production

Per Erik Bjorklund says: "But if oil prices drop to \$20 or \$25 per barrel, things will look less bright. It is estimated that developing Oseberg will cost between 35 and 40 billion kroner at today's prices." And he adds that if Parliament decides in favor of development this fall or next winter, production can start around 1990.

Gullfaks To Start in 1987

The Sleipner and Oseberg (formerly called the Silver Block) fields will take over a few of the chief roles in Norway's North Sea production in about 10 years. They will succeed Ekofisk and Frigg, the big production centers of the 1970's and early 1980's; Statfjord, which is the giant for the rest of the 1980's; and Gullfaks, the big unit for the turn of the decade (it is to begin its oil and gas production in 1987). If Sleipner and possibly Oseberg and a few smaller fields are delayed, there may be a dip in production.

The fact that oil and gas activity is characterized by very long-term prospects can be seen from several present-day issues and events in "petroleum Norway."

Compromise on Troll

A political compromise on the vast and gas-rich Troll field west of Bergen was reached in March. Under its terms, the three Norwegian corporations--Statoil, Norwegian Hydro, and Saga Petroleum--will cooperate in three of the field's blocks. In the fourth block, Shell will continue for 8 years, after which it will be replaced by Statoil.

Troll has many exciting dimensions. It involves production problems that will be very hard to solve technically in a field which is probably in the same class as Holland's Groningen field. Production is expected to begin during the second half of the 1990's, and exploitation is expected to continue into the middle of the next century.

Hakon Lavik of Statoil's Information Department says: "A field like Troll is discovered perhaps once in a century."

Very long time frames also apply to the new gas pipeline "Statpipe," the first pipe of which was put in place during Easter Week on 2 April. Beginning in 1985, the 840-kilometer-long pipeline system will pump gas to the continent for several decades.

Forty-Six New Blocks

A third long-term process was started in March, when an eighth round of licensing began with the announcement of a total of 46 new blocks, 32 of them north of the 62d parallel.

A question that has recently begun to be discussed by the government is whether the newly established Norexplor, a private consortium, will be allowed access to the continental shelf alongside the three established Norwegian companies: Statoil, Norwegian Hydro, and Saga Petroleum.

Norexplor and the financially squeezed Saga Petroleum recently began talks on cooperation at the initiative of Minister of Oil and Energy Vidkunn Hveding.

The Ula field northwest of Ekofisk came into the limelight just before the start of the year, when the owners of the claim decided, after 2 years of uncertainty as to profitability and other matters, to develop their field. Ula is the field in which Swedish Petroleum will acquire an interest.

Another long drawn-out issue is whether extraction at the Ekofisk field should be extended by injecting water into the oil wells. Without water injection, only 18 percent of the asset can be recovered. Water injection will make it possible to increase the extraction percentage to about one-fourth, resulting in about 35 million tons of oil in additional production. On this issue, both technology and profitability have been under discussion for a long time. At the Petroleum Directorate, Farouk Al-Kasim is hoping for a quick and positive decision.

He says: "A decision cannot be delayed past June."

Statoil's Power Soon To Be Reduced

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 Section II p II

[Article by Johan Myrsten]

[Text] Olso--The Willoch government has come a step closer to its goal of trimming Statoil's growing power. It happened when the so-called Mellbye report was completed in February. Work is now underway on a Statoil legislative bill that will be submitted later this year.

The basic problem, according to the Conservative Party, is this: even though Statoil is fully owned by the government, the government does not exercise enough influence over petroleum activity through its politicians and elected officials. Too much of Norway's gross national product is going to be flowing through that state-owned firm (an estimated 10 to 15 percent of the GNP in 1990). A mingling of business and government purposes in Statoil is inappropriate.

Under Secretary Hans Henrik Ramm of the Ministry of Oil and Energy says: "The goal is to transfer power to the government, the ministry, and Parliament so that a single firm will not be holding all the cards."

"Modern political science shows that formal relations of ownership play a minor role in big corporations."

Diluting Statoil's Power

Hans Henrik Ramm is right-hand man to Minister of Oil and Energy Vidkunn Hveding and one of those chiefly responsible for the coming Statoil bill. There are people in the oil industry who call him "stubborn." Others call him Norway's petroleum prince.

It was in March 1982 that the government issued its instructions to the committee on the Norwegian Government's future participation in oil and gas activity.

Those instructions make it clear that not even the Conservative Party (or the two parties that support it, the Christian People's Party and the Center Party) wants in any way to reduce the government's rights in and revenues from North Sea activity. What the government wants is to spread out the government's commitment among several entities so as to reduce Statoil's role. The government also wants to ensure that Norwegians have a controlling interest in all concessions, pipeline companies, and so on.

The question is how Statoil's power should be divided up.

The committee presents several proposals. But first it presents the background to Statoil's growing role. Among other things, it mentions Statoil's own forecasts, which estimate that turnover will increase from 17 billion kroner in 1982 to between 48 and 70 billion in 1990 (depending on price and production developments) and to between 65 and 92 billion in 1995--all those figures being expressed in 1982 money values.

With figures like that, Statoil would account for between 10 and 15 percent of Norway's GNP, or as much as all other manufacturing and mining today.

Statoil's profit (before taxes of 85 percent) would also rise from 2.7 billion kroner in 1982 to somewhere between 25 and 50 billion kroner in 1995 (at 1982 money values).

There was total political unity when Statoil was established in 1972, and the firm has many privileges. Among other things, the company owns 50 percent of every new block that is assigned. In addition, it is entitled to increase that share to 80 percent according to a so-called sliding scale and depending on how production develops.

The committee's most significant proposal is that Statoil's share of individual blocks be reduced and that "a sizable portion" of the flow of revenue be channeled directly to the government.

The size of that government share should be decided by the politicians in each case and from time to time, say the report's authors. But they are letting stand the proposal that "in the future, the sliding scale be applied to the advantage of the government directly," and that alone would give the government up to 30 percent of the ownership of the blocks.

In order that the modified distribution "become a reality before the end of this millenium," the report's authors are proposing that the government take over large pieces of Statoil's shares in blocks that have already been allocated in fields such as Sleipner, Oseberg, Troll, Gullfaks, Heimdal, and Statfjord.

Other proposals by the committee include the following: the government should take over Statoil's privilege of exemption from all expenses during the risky prospecting phase; Norwegian Hydro and Saga Petroleum should be allowed to

participate along with Statoil in negotiations concerning gas sales; and the Ministry of Oil and Energy and the Petroleum Directorate should receive considerably greater funding so that they can raise salaries and thus have less trouble retaining their own experts.

Pawn in Big Power Game

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 Section II p 2

[Text] Oslo--Norwegian natural gas has taken on a strategic role in the big power game being played between the United States and the Soviet Union. The Reagan administration wants to put Norwegian gas on the market as an alternative to Soviet gas for West Europe, and the Soviet Union is simultaneously being accused of selling its gas below cost.

According to a report last fall from Evan Galbraith, U.S. ambassador to Paris, future Norwegian gas extraction from Sleipner, Troll, and other fields is being threatened by low Soviet gas prices.

Under Secretary Hans Henrik Ramm of the Ministry of Oil and Energy says:

"We are naturally interested in selling gas from the Troll field. Up to that point, our views coincide with those of the United States. But we feel that when the time comes, it will happen through normal negotiations with the buyers. We hope that by then, the situation in Europe will allow a better price than the one prevailing today, because developing Troll will be expensive."

Hans Henrik Ramm also says: "The Soviet Union, of course, has an entirely different social system than ours and another way of making economic calculations. The Soviet Union considers only foreign exchange earnings. We cannot compete with them in price. But if Europe does not want the price to completely cover labor costs and new technology, Troll will not be developed."

Swedish Gas Pipeline Being Delayed

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 Section II p II

[Text] Oslo--The prospects for a gas pipeline running from northern Norway through Sweden are not poor, but it must be realized that the time frame is a lengthy one.

So says Under Secretary Hans Henrik Ramm concerning the project that has aroused great hopes in Sweden. Other representatives also like to emphasize how far in the future--probably the latter half of the 1990's--a possible gas pipeline lies.

The alternative to a pipeline through Sweden is an overland pipeline through Norway or along the Norwegian coast, with the shipment the rest of the way being handled by tanker.

Drillings at a depth of 300 meters in the Tromso shelf at the 72d parallel have just begun for the fourth year. The finds so far amount to 175 billion cubic

meters of gas. To be profitable, a gas pipeline requires about 600 or 700 billion cubic meters.

In March, 19 new blocks were announced to the east and northeast of the 20 already opened up on the Tromso shelf. Many observers are placing more hope in them than in the older blocks.

11798

CSO: 3650/164

NORRBOTTEN GOVERNOR DISCUSSES DECLINE IN PEAT INTEREST

Stockholm DAGENS NYHETER in Swedish 16 May 83 p 6

[Article by Matts Larsson]

[Text] Today Norrbotten has peat that could replace imported oil for decades to come. But now Governor Erik Hammersten is forced to note that the emphasis on peat has proved to be a mistake. It is too expensive--no one wants it.

"We have put enormous sums into the peat industry in Norrbotten. There is enough peat in the county to cover our entire oil imports for decades. Today, however, I am forced to say that no consumers are clamoring for peat. It is too expensive," said Erik Hammersten in a TT interview.

He is concerned about the form the energy debate has taken.

"If peat is no solution, nuclear power is to be phased out and waterpower should not be expanded, in the view of many people--where will we get our energy from?"

The government's committee on waterpower will release its results this summer.

End Speculations

"I hope the decision--whatever it is--enables us to concentrate on concrete matters in the future instead of, as we do now, speculating, studying or waiting for committee reports," said the governor.

Erik Hammersten has previously advocated development of the Kalix River, partly for employment reasons. But he feels that waterpower development is just as important in order to cover our future energy needs.

"We must soon decide how to arrange things for the future. When nuclear power is phased out, we must have something else. It is a very tough discussion and one is presented as a dangerous enemy of the environment when one advances these viewpoints."

He is critical of environmentalists who do not take the consequences of the positions they take.

Solutions Needed

"If we have decided to take away waterpower, find peat and other solid fuel too expensive and see no solution in windpower--well then, we must come up with another solution.

Image Created

"That shows something of our mentality. We have provided some justification for the image that has been created of Norrbotten residents as people who just want support and assistance in every context."

For Svappavaara there is no immediate hope that the activity will be resumed.

"Svappavaara's future is linked to the opportunities for selling pellets. Today the LKAB mining company has an overcapacity in the area of pellets with no corresponding demand on the part of consumers. It will take several years before we can take a stand on the future of the Svappavaara plant. Until then, we must seize every opportunity to create other jobs in the area."

6578

CSO: 3650/189

ENERGY SUPPLY, RESEARCH SITUATION VIEWED AT N-VOTE ANNIVERSARY

Stockholm DAGENS NYHETER in Swedish 19 Apr 83 p 4

[Article by Mert Kubu]

[Text] Three years ago--on Sunday 23 March--the Swedish people voted on nuclear power and on future Swedish energy consumption. The victory went to "policy 2," and according to that decision, we were to operate no more than 12 reactors, with the last one to be phased out around the year 2010.

At the same time, we were to quickly reduce our energy consumption and convert to alternative energy sources. How well have those vows been kept? What has happened to solar energy, peat, woodchips, coal, and gas? DAGENS NYHETER has investigated the energy situation as it stands 3 years after the referendum.

Background

Do you remember how the referendum on nuclear power turned out?

Policy 1 said that 12 reactors would be used as long as there were no safety reasons for not doing so (18.7 percent of the vote).

Policy 2 said the same thing, but added a paragraph concerning vigorous energy management, banned direct electric heating in new housing, and declared that nuclear power was to be phased out by around the year 2010 (39.3 percent of the vote).

Policy 3 flatly rejected nuclear power and called for all six reactors to be phased out within 10 years at most (38.6 percent of the vote).

A good survey and status report on how far we have gotten with alternative energy sources is provided in "Tomorrow's Energy" (DFE Report No 50, published by the Energy Research Board). "Energy Survey, Fall 1982," published by the National Industrial Board, is another good source.

No, solar Sweden has not come into being. That step is currently a long way off. We have not been given a "coal Sweden" either, as many people feared we would. The conversion to coal burning is progressing very slowly.

On the other hand, we can talk about "electricity Sweden." In 3 years' time, over 200,000 single-family homes have either switched from oil to electricity for heating or have been newly built with electric heating. And it is also time to start concentrating on big heat pumps powered by electricity.

In addition to single-family residences heated by electricity and heat pumps powered by electricity, we also use electricity to heat water for our district heating systems. This is done in big electric boilers.

No one knows exactly how much more electricity we use for heating now than we did before the referendum. The National Industrial Board has made an estimate, and its guess is 4 TWh (terawatt-hours). Very roughly, that equals the output from two reactors.

On the positive side, we have succeeded in definitely reducing our dependence on petroleum over the past 3 years. Less oil is being burned to heat houses. But above all, the campaign to get people to adjust boilers, make their homes draft-proof, and add more insulation has been successful. We have become internationally famous in that area. Actually, however, much remains to be done.

High Petroleum Bill

Another important explanation for the lower consumption of oil is that our industry is operating at slow speed. The recession has turned into a very long one.

But even though oil consumption is down, the nation's petroleum bill has grown larger. First, oil prices increased. Then the dollar rate went up. On top of everything, there was the devaluation. Only recently have petroleum prices started to decline--in dollars.

What is certainly a disappointment to many is the fact that the conversion to alternative energy sources has progressed considerably more slowly than the experts promised and the optimists believed.

The conversion to coal is progressing slowly. But the introduction of such domestic fuels as woodchips and peat has been even more difficult. And those hoping for natural gas are very disappointed.

Only one gas project is under construction: the Southern Gas Corporation is building its pipelines from Denmark to Skane. But the chance of setbacks is a big one.

Negotiations for Russian gas have so far not brought any results. And the Norwegian gas project north of the 67th parallel will probably be postponed. Natural gas has quite simply been too expensive. Prices on the gas market have been forced up.

Sun Hidden by Clouds

What about floods of sunshine? The big fields of solar collectors? Storehouses of heat in the ground? There have been many setbacks in this area. Projects such as those in Vaxjo, Lambohov and elsewhere have shown that it is not economically defensible today to invest in the solar heating of residences using solar collectors.

There will soon be a report on attempts to feed solar heat through solar collectors into district heating systems. Those tests are underway in Sodertorn south of Stockholm.

As one expert from the group in charge puts it, the tests show that:

"Technically, it works well. But even if we obtained the best solar collectors in the experiment completely free, it would not be worthwhile economically!"

So the prospects for solar heat in Sweden are depressing. But the solar heat experts have not given up. At present, they are hoping to come up with solutions for the seasonal storage of heat. It could be stored in the ground, in caverns, and in old mines.

Wind power is also very uncertain. The tests have been delayed.

But there is a lot of activity just now in one area: the expansion of district heating systems. The concentration on large-scale district heating systems is somewhat controversial. But the Social Democratic government and Minister of Energy Birgitta Dahl have definitely made up their minds. Part of the enticement consists of 10-percent subsidies and grants to help cover investment costs. In addition, municipalities that decide during 1983 to build peat-fired plants can obtain a whole 25 percent in grants.

The District Heating Organization therefore expects that many municipalities will now venture to reach a decision on woodchip- and peat-fired boilers and that the concentration on district heating will continue.

Heat Pumps

Municipal decisionmakers realize that they should invest in district heating systems. But despite the government subsidies, some uncertainty will continue during the foreseeable future as to what is going to replace oil. Will the boilers in the district heating systems be fired with coal, woodchips, or peat? Or should we go in for giant heat pumps?

Many are placing their hopes in the big heat pumps. Even the opponents of nuclear power have accepted electricity-driven heat pumps, and that is somewhat unexpected. Heat pumps sound plausible. A good heat pump draws one unit of energy in the form of electricity, then spins around and produces three units of heat in exchange. That is excellent, of course.

But the problem is that if we hook up enough giant heat pumps to the Swedish electricity system and simultaneously try to phase out nuclear power, no one knows whether there will be enough electric power.

So far no one has worked out what the future electricity balances will be when the heat pumps are added in. It is true that the big heat pumps can be written off in as little as 5 to 10 years. But the question remains: what do we do then? One solution would be to build so-called back-pressure plants--heat-electric stations that produce both heat and electricity. Another solution may be to drive heat pumps with something other than electricity.

Politicians in the municipalities (where the actual decisions must be made) have been irresolute and have been dreaming of some kind of "all-fuel boiler"--a plant where coal, peat, or woodchips can be burned alternately. In that way, difficult decisions could be postponed. But such boilers do not yet exist.

Despite everything, the conversion to coal is progressing faster than the conversion to domestic solid fuels. But coal is encountering the traditional distrust. For a long time, too, there was uncertainty as to the environmental requirements that the government would establish. The decision has now been made to subsidize expensive desulfurization plants.

Woodchips and Peat

Another problem is that Sweden lacks long-term coal agreements. We buy coal chiefly on the spot market. The Swedish Coal Consortium in Stockholm has an offer to become the joint owner of a coal mine in Virginia in the United States. But it would have to commit itself for 30 years and agree to buy 1 million tons of coal per year. No one is going to sign such an agreement until there is more definite assurance that there will be a market for that much coal in Sweden over a 30-year period.

A similar problem exists in the case of woodchips and peat. The combustion technology exists and has been proven. There is an excellent demonstration facility for woodchips in Vaxjo and another for coal in Skelleftea. But what is lacking is a functioning market for woodchips and peat. Woodchips are currently more expensive than peat. But prices change, and availability is uncertain from the standpoint of the one doing the burning.

By all indications, the situation in Sweden will develop as it has in Finland, where peat and woodchips are used as fuel in small and medium-sized localities in the country's interior and coal is used along the coast.

The so-called big-city energy bill will be submitted to Parliament for a vote this spring. It will lay down guidelines for supplying the three big cities with energy. The bill's authors have talked somewhat loosely about Stockholm as the "coal city," Malmo as the "gas city," and Goteborg as the "waste-heat city."

But that description scarcely fits the facts. For the time being, there will be considerably less coal than expected in Stockholm, and how the situation will develop with natural gas in the Malmo area remains to be seen.

Three years ago, there were great hopes for methanol as an automobile fuel. Research is continuing. The crucial product at the energy complex planned for Nynashamn is methanol. But there is considerable pessimism. Gasoline is still definitely cheaper, and the idea is that we should stop burning oil in boilers and use it instead to produce gasoline. Besides, international interest in methanol is lukewarm.

An interesting question is this: what would have happened if Policy 3 had won out in the referendum? If it had, all six reactors--those in operation in 1980--would be phased out by 1990 at the latest. And we presumably would have only four or five in operation today instead of the 10 currently operating. And it would not be possible to heat those 200,000 single-family residences with electricity. We know that for certain.

Final Storage Is Main Requirement in New Law

The stipulation concerning the "totally safe" final storage of spent nuclear fuel is disappearing, and so, as a result, are the requirements concerning reprocessing. Instead, the operator of a nuclear reactor must be able to show that a method for the final storage of spent fuel exists and that it "is acceptable in terms of safety and radiation protection." The operator must also be able to show a research program aimed at coming up with a method for safe final storage.

Those are the main features of the proposals for new nuclear legislation that were submitted to Minister of Energy Birgitta Dahl on Friday. The Nuclear Legislation Committee, which has been at work since 1979, bases its proposal on the essential features of the old Nuclear Energy Law. The new law (the Law on Nuclear Technology Activity) will replace all previous legislation in the field of nuclear energy with the exception of the Radiation Protection Law.

The research program being proposed by the committee will be evaluated annually, and the operating license can be revoked if the reactor operator does not fulfill his obligations with regard to research and development activity.

Also new is the fact that the local safety committees at nuclear power plants will have considerably more authority. The safety committees will have control over all safety and radiation protection matters and over safety planning around nuclear power plants. Local safety committees are also being proposed for municipalities where facilities are built for storage and disposition of nuclear waste and fuel.

In addition to the activities for which a license is already required, so-called technology transfers (licensing agreements) in connection with nuclear technology will also require a license.

The committee was not entirely in agreement. Oswald Soderquist (Left Party-Communists), for example, protested that the law does not stipulate the total number of reactors in the country. Soderquist also feels that the law should include the provision that the last reactor will be closed down no later than the year 2010.

11798

CSO: 3650/166

OIL PIPELINE TO RUN FROM YUMURTALIK-KIRIKKALE

Istanbul TERCUMAN in Turkish 28 Apr 83 p 3

[Text] The crude oil problem at Kirikkale Refinery, which is to provide petroleum to central Anatolia, has been resolved. Agreement was reached on the contract to finance the pipeline that will take crude oil from Ceyhan-Yumurtalik across the Taurus Mountains to Kirikkale. The agreement was signed by Ozer Alhan, deputy general director of the TPAO [Turkish Petroleum Corporation], and the director of Ares Bank representing the banks involved. The signing ceremony was also attended by our Madrid Ambassador Mehmet Baydur and Necati Akcaglilar, chairman of the board of the Turkish contracting firm Tekfen.

Under the \$66-million credit agreement concluded late last week in Madrid between TPAO and 10 foreign banks, \$26 million of the credit was earmarked for equipment purchases and the remaining \$46 million may be used freely. The credit term is 7 years and interest is at international rates.

Contract to Tekfen

The contract for laying the approximately 450 kilometers of 60-centimeter diameter pipeline from Yumurtalik to Kirikkale and for building the pumping stations went to Tekfen, a reputable Turkish firm with prior experience in these jobs. Tekfen, winning the contract in a field of international contractors, also worked hard to obtain the credit from foreign banks, it was learned. The pipeline project will have an annual carrying capacity of 5 million tons at first, which can be raised to 10 million tons in the future.

What Will It Do

According to experts, the project, in addition to the extra foreign exchange revenues it will earn Turkey in the form of increased transport fees if Iraqi crude is used, will make it possible to achieve the basic goal of having a central Anatolian refinery provide the petroleum-product needs of the central Anatolian region and will thus avoid the need for hundreds of tanker trucks to transport these petroleum products from such refineries as Batman, Aliaga, Mersin and Izmit. The investment not only represents a savings in gasoline and spare parts, but will also make traffic safer and save wear and tear on our roads.



Ten foreign banks opened credit for 66 million dollars for the Tekfen Company which was awarded the contract to build the 450 km pipeline.

8349

CSO: 3554/276

FLEMISH SOCIALISTS PROPOSE ALTERNATIVE ECONOMIC PLAN

Brussels KNACK in Dutch 27 Apr 83 pp 25-29

[Report on interview with SP (Socialist Party) Chairman Karel Van Miert, Parliamentary Group Leader Louis Tobback, Former Minister of Posts, Telephone and Telegraph Freddy Willœkx and Member of Parliament Norbert de Batselier, by KNACK editorial staff: "A Quarter Million Jobs; a New SP Plan"; date and place not specified]

[Text] The Social Economic Alternative of the socialist party which is now on the table will be followed in the near future by similar thorough studies on social security, communal problems and the cultural policy. SP Chairman Karel Van Miert asserts that the party's alternative has been fitted into the current context as realistically as possible. It was a matter of analyzing what is happening in the outside world, and of drawing up the main strengths from that analysis against the monetarist and neo-liberal policy now in force. In his opinion a different policy will have to be pursued anyhow in the coming years, and his SP is already trying to look into different options.

Karel Van Miert: We have consciously opted for an approach which attempts to tackle the problem of unemployment head-on. Certainly it has become sufficiently clear that it is an illusion to think that savings alone will do it and that skimming of the purchasing power, etc. doesn't solve the problem of government finances. We will tackle unemployment, the serious component in the deficits of the state, through a shock maneuver using various formulas, along with a drastic reorganization of the workweek. We recognize that financing for that cannot be obtained only through an increase in productivity. Other efforts will have to be made by those who still have a job; that will be the employment contribution. By fiscal means, that will also be asked of those in free professions and of the self-employed. Normally the yield of the employment contribution would stay in the company, in which employees will also get some control over the way it is used. Thus we definitely do not want a situation like the current one in which companies do what they want with the wage curb savings and in which any form of control is non-existent. What we have drawn up is not an unrestricted formula. We are coming up with the most realistic figures.

With that plan we truly expect to provide jobs for 200,000 to 250,000 people over 4 to 5 years. It might not be possible to cut the current unemployment figure in half during that period of time, but if things continue the way they are now,

there will no doubt be an additional quarter of a million unemployed. We also propose a revision of the current employment programs. We would want to unite them into direct social projects in which, according to our calculations, there ought to be 30 to 35,000 jobs in about 2 years. More can definitely be done than is done now; discrimination can be eliminated. Besides the employment policy, investments for a selective new start form the second big portion of our plan. Through the government, additional momentum has to be created in a number of worthy areas deserving attention such as environmental protection, the rational use of energy, public transport, etc. We would want to pump another 100 billion francs into those over the next 4 years. We would get that from monetary financing, from the revaluation of the country's gold stock. We are partly following the proposals of former minister Henrion, but in a more restricted manner. For example, we don't want to see that money disappear into Cockerill-Sambre [steel mill], but into specific new starts, investments aimed at the future.

[Question] Is the SP responsible for the idea of fiscal amnesty?

Van Miert: No. We are in favor of a number of measures for capital flow, but not for amnesty. The advantages one would have to give to those who practice fraud in order to attract them would discriminate against those who have not done so. A third portion of our plan is recovery of the purchasing power, which according to the National Bank decreased by 1.6 percent in 1982. Of fundamental importance for recovery of the purchasing power is recovery of the index-coupling and elimination of the measures which the current government took in children's allowance, some retirement benefits, etc. We have calculated that costs 56.5 billion. We will get that amount, however, from a number of other measures: 5 billion from countering fraud, 1½ billion from partly relaxing the De Clercq-Cooremans law, 2½ billion from eliminating the tax privileges of electricity trusts and banks, 4 billion from the recovery of I and II type solidarity taxes.

[Question] To what extent is this plan meant as a platform for a future government coalition?

Van Miert: This is not a proposal for a coalition, but a general plan. The more the situation evolves, the more one will have to go in our direction.

Normally unemployment decreases during these months; this year that is not the case. And even if economic growth and investments should come about, unemployment most likely will not be absorbed. Our plan is aimed at the future; it is not a proposal to sit down and have discussions. In our plan there are things which draw considerable criticism from the union, but I can't really imagine that they would not want to support our intentions. What we propose might not be popular, but we think that it is politically defensible.

[Question] Don't you have the feeling that you are cutting yourself off from the political constellation?

Van Miert: I don't have any illusions in that respect. Just like our other proposals, this too will simply be ignored, even if our plan is plagiarized. For example, what we proposed for the construction industry was later adopted by our opponents. I mean the insurance for builders which the Flemish community now

has introduced. The same happened with our proposals with respect to the health policy and the defense policy. The socialist parties in Norway, Denmark and even the FRG adopted our strengths there. Already 3 to 4 years ago we came up with the idea of shortening the workweek. The current government now is also going in that direction, simply because it cannot do otherwise. How that plan will fit into political power relations is a separate question. We only contend that on the basis of those strengths we are prepared to carry responsibility. This is perhaps the first time that such a well-developed plan comes from the opposition. Have you ever seen anything like that from the PVV [Belgian Democratic Party] No, only slogans which totally went up in smoke. Have you ever read calculations by the PVV, or even by the People's Union?

Louis Tobback: This plan is an attempt to mobilize the progressive part of public opinion. To the extent it succeeds, we are less obliged to form coalitions. The degree of coalition of course is inversely proportioned to the degree of effectiveness of this alternative. With that I do not mean that we think we are close to the absolute majority, but I do mean that we have not drawn this up with a view to a coalition. This is not a position of negotiation. Thus one cannot ask the question whether this is an intelligent move on our part; one can ask, however, whether the plan is pragmatic and realistic. This is not something like the Jet-plan, not an election platform or slogan. For us it contains a certain degree of risk.

[Question] Is that risk on your left or on your right?

Tobback: Depending on the side from which the wrong comes, we will be criticized from all sides. For we accept, for example, monetary financing, and the employment contribution resembles a more subtle form of wage curbing. We still believe in it, however, and we want to gain public support with it.

[Question] Can't you hear people say already that there is yet another plan of Karel Van Miert? Two years ago you proposed a Labor Plan on 1 May, of which nothing was heard again afterward.

Van Miert: That plan of 2 years ago was in the first place an approximation of the employment programs. The idea was to use unemployment to put people to work. We were still in the government at that time and started that; the idea of the third labor circuit already existed. However, all that stopped for political reasons. The CVP [Social Christian Party] begrudged us that. We did not have the opportunity again at that time to make something of it.

[Question] The question presents itself of the European habit of putting things on ice. Where would you be if you demand 25 percent shortening of the workweek, but Kohl, Thatcher and Lubbers don't want it?

Van Miert: Europe continues to remain a structural problem. Mitterand dreamt of his /social space/, but there were other governments to be considered. That does not take away the fact that now a need is indeed being felt for new currents. Not only in Europe, but also in the United States. By following the political evolution there, one notices that new tendencies are arising, that the need for a number of corrections in the current policy is being considered. What will

show up more clearly in the United States in the next 2 years, namely a sort of voluntary policy on the part of the government, will become just as important in the long run as the problem of cooperation on the European level. In spite of the presence of conservative governments, one cannot continue to disregard the failures in Europe. Just as 3 to 4 years ago the neo-liberal and monetarist trend arose, a new atmosphere will now come about in its turn. Under the pressure of circumstances.

Tobback: So far Europe had been seen as a sort of super ministry which was never the issue of a political struggle. But in view of what has happened now in the re-arrangement of currency, it certainly has become clear that the European level is indeed politicized. The Europe of the Ten looks like a sort of playground which is well delineated and from which no one may leave. Well, that point is being seriously discussed by us. But it is obvious that one can't realize this alternative in Europe.

[Question] How do you explain the failures of Mitterand? According to his opponents he is a living example of the non-validity of all socialist alternatives.

Van Miert: One neglects to mention that the American balance to be financed is still twice that of France. The French certainly have their problems with the balance of payments and inflation, but they are in better condition than it sometimes appears. It is obvious that the monetary affair was a political punishment. Essentially the French wanted to pursue a policy at a certain moment which was completely against the current but which in the coming years will prove to be right.

[Question] Perhaps it is an error of the government that it expects solutions so exclusively by means of safeguarding industrial profits. But are you paying enough attention in the plan to the actual right of veto of employers? If the answer is no, it is no.

Norbert de Batselier: 20 or 25 percent shortening of the workweek; of course the employers could say no to that. But that's exactly why we have attached a number of conditions to it so that their competitive position will in any event not be affected. Everything in this plan can take place without employers being victimized. We'll take care of the financing partly from income tax and partly from the increase of productivity. That increase thus is not used to increase profit or wages, but to finance the shortening of the workweek. On top of that there will be everyone's employment contribution.

Freddy Willocks: Through this mechanism we keep the position of cost-competitiveness intact at the 1982 level which was identical to the record 1970 level. Thus there has to be some room. For companies which have to make investments, we have even furnished the means: 30 billion over 2 years from the monetary financing. For that matter, in our calculations we also have already included the costs of the automatic index-coupling which we want to recover. Just as this government organizes the social debate and intervenes when that fails, we also do that. If today one side of the social debate has to pay the piper when there is no agreement, is it then so unrealistic for us to approach the other side in that case? Just as the current government is now the arbitrator on the

right, we can impose our measures on the left. It is obvious that that possibility forms a considerable means of pressure on employers.

De Batselier: We can prove in a macro-economic way that there will be no increased costs for employers. Also, on the level of the renewed inflation we want to bring about, we do not primarily ask for the greatest effort on the part of the private sector. In 4 years' time we will provide for a supplementary investment program of 130 billion through the government, which must primarily be aimed at job-creating initiatives. Also, a rational use of energy, etc. and what have you. We will also make government support much more selective than it is now. But it is still obvious that a number of structural reforms will be needed to realize our program. Just think of the energy sector where there is an over-dominance by private groups. However, the discussion will not lie as much at the level of costs as at that of power.

[Question] In your plan attention is drawn to some unusual aspects which are against the bureaucracy. That is surprising, coming from socialists. Is there a turning of the tide; is socialism no longer equal to capturing and occupying the power of the state?

Willockx: More government has never been a goal in itself for us, but better and more efficient government has. Mainly due to the momentum of our French-speaking brothers, socialism often used to be identified with new institutions. Each structural reform created new institutions; that was the erroneous image. In our plan we create practically no new institutions; on the contrary, we take some away, we dismantle. However, we do want more impact on the part of the community in a number of vital sectors of the economy.

De Batselier: If one finds the weight of the state too heavy in general, it is because it is indeed too heavy in some services, but not heavy enough in others. We really have developed a misaligned state. It is too light in areas of real power, just to mention the financial and energy sectors. We are now starting out from the policy goals we have and then we will look into what kind of change is needed in the power relation to achieve that. That is a totally different reasoning from that of Hendrik De Man of before the war who sincerely believed that everything would turn out all right if only we increased our influence on the state. He did not realize that the power of the state would anyhow continue to be an emanation of the capitalist system.

8700

CSO: 3614/103

SCHLUTER PRESSURED TO EASE ECONOMY REINS AS UPTURN STARTS

OECD Report Lauds Policies

Copenhagen AKTUELT in Danish 25 Apr 83 p 3

[Text] For the first time in many years, Denmark is receiving high marks from the Organization for European Economic Cooperation (OEEC). The nonsocialist government is also being praised for its economic cutback policy, and the OEEC is encouraging Poul Schluter & Co. to stay the present course.

Denmark will receive extensive praise in the countries report that OEEC is expected to publish at the beginning of next month. Normally these reports are surrounded by great secrecy before publication, but MANAGEMENT's "Weekly Political Letter," which appears today, claims to have obtained the main conclusions of the report from sources at OEEC.

The OEEC report is often described as Denmark's economic gradebook, and if the reports in "Weekly Political Letter" are correct, the four-party government will get a lot of "A's," and the government's self-confidence will no doubt be greatly strengthened. But for the underprivileged and the unemployed, the OEEC gradebook is harsh reading.

The government is receiving praise for its policy measures last fall, and the OEEC is recommending that the government continue its cutback policy. According to "Weekly Political Letter, the OEEC goes so far as to recommend so-called greater wage differentiation. Spelled out, this means that the lowest wage earners will receive even less in comparison with the average. This will also save more money in the public sector where the employees will be reduced to salaries that lie under the wage level of productive activities.

The OEEC justifies these drastic steps by saying that a greater difference in incomes will increase saving. Private consumption will fall, and we will then want to work harder.

The government is being praised for having brought down the inflation rate to under half what it was, and for having conducted a tight economic policy. According to OEEC, this has contributed to limiting the deficit in government financing. In addition, the government's small investment program for trade has

received some positive comments along the way.

Prime Minister Poul Schluter has already reportedly commented on the contents of the OEEC report. He welcomes it, naturally, but at the same time says that the government has no plans to follow the organization's advice of creating greater wage differentiation.

Industry Leaders More Optimistic

Copenhagen BERLINGSKE TIDENDE in Danish 28 Apr 83

[Article by Frank Dahlgaard: "Strong Upswing Expected"]

[Text] The top leaders in Danish industry are expecting a strong upswing both in production and in orders in the second quarter of the year, and at the same time an increase in current investments.

This comes from DANMARKS STATISTIK's "Economic Barometer" on the second quarter of 1983, which has just come out.

The barometer is based on information from the leaders in Denmark's 600 largest industrial firms, which together make up 60 percent of the total industrial output.

BERLINGSKE has learned from DANMARKS STATISTIK that the figures just presented on industrial expectations are the best and most optimistic of the past three years. There are especially good figures on order receipts for industry in the coming months.

The new "Barometer" shows that in the year's first quarter there was generally talk of negative development that was expected then of production, orders, and investments. But employment has clearly been better than was feared, according to DANMARKS STATISTIK.

Industrial employment is expected to be unchanged in the present quarter.

At the beginning of April, the industrial position in finished goods was somewhat greater than normal, and every third firm had an increased production capacity.

SDP Opposition Seen Yielding on Economy

Copenhagen BERLINGSKE TIDENE in Danish 5 May 83 p 10

[Editorial]

[Text]

When Anker Jorgensen recently was in the crossfire on television, he said that the government was managing all right, and it was quite clear that he is not counting on a change in government in the near future. The governmental parties are not planning this, either. On the contrary, they are of the opinion that the government can continue after an election. At the meeting of conservative representatives last week, Poul Schluter set the goal of breaking the tradition

that has lasted all the way since the last world war, according to which no nonsocialist government has survived a normal Folketing election. For the governing parties, this is a wish they hope to see fulfilled. For the Social Democrats, there is talk of a realistic evaluation that contains the same conclusion.

After the first half year's hectic course, therefore, there seems to be reason on both sides -- the government's and the opposition's -- for a sober consideration that we hope can give regular parliamentary work the stability so necessary for solid political achievement. From the first, the government has been interested in bringing the Social Democrats into the decision-making process, but recently it has increased its efforts to accomplish this. And the Social Democratic leadership seems at the same time to have adjusted itself to more accommodation than has been true in the past. As a prelude, the government and the Social Democrats had their compromise on real estate taxes, but recently they have been able to agree upon quite far-reaching decisions on pensions, and the two sides have worked together to determine the explanation of the unfortunate gas project. It also looks as if agreement can be established in other areas between the government and the SDP.

These approaches have not caused any decisive change in the political power relationship, and no one must imagine that the Social Democrats will not continue as before to play their role zealously as the opposition that represents the alternative form of government. There will always be attacks that are accompanied by strong words and concrete counter-proposals. There will continue to be violent disturbances, and the Social Democratic criticism will not be silent. Neither will the government change its position and policy that has given it such significant support among the people. There are definite limits to what it can do to obtain SDP support for its policy.

One should not put too many hopes upon what this can bring about in developments in the coming months. But it will be to the country's advantage if there is a relaxation of tension in the relationship between the government and the large oppositional party.

Support Seen Threatened

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 83 p 10

[Editorial]

[Text] It is a generally held opinion that economic policy must aim at promoting the possibilities for import and export. The improvement in the economy must now be used to strengthen such a development, and not -- as previously -- be used up in the form of rising public and private consumption.

The question now is whether the government and the Folketing majority will in practice be able to hold fast to such a line. As has already been indicated, this has been difficult before. Improvements are unfortunately taken to mean that one can in general take things easier, that the balance of payments can be pushed into the background a little bit, etc. This is a dangerous attitude.

For it must definitely be stated that the change in economic development means first and foremost that things are now going the wrong way at a somewhat slower pace. The deficit in the balance of payments is still indefensibly large, and so far there is no prospect for a decisive reduction of unemployment. The government deficit continually rises, and Danish interest rates continue to be higher than in many other countries.

Unfortunately, there are already signs that the hand of the majority in the Folketing is shaking in this situation. Thus an agreement has just been made between the government and the SDP on an early pension reform that will cost hundreds of millions of kroner extra in the coming years. As is known, there are also plans for a general reduction of income tax of 2.3 billion kroner. A majority in the Folketing has just decided that no reductions are necessary in the Ministry of Culture. Reductions in block subsidies are in danger, and the SDP is striving again to start a costly reform involving paid educational opportunity.

A part of these planned or already agreed upon projects certainly have, each in itself, a logically reasoned basis from many political points of view. There may well be good social, cultural, and other reasons that speak for the intended or desired policy in many areas.

But it is hard to see how the execution of the plans mentioned will result in any improvement in the economy's ability to compete abroad. Instead, everyone will begin with public or private consumption that will become greater than it would have been otherwise.

Therefore there is reason to warn against this development. Ingenuity at Christiansborg must not be allowed to flower in this respect. This is definitely an extremely imminent danger that must be combatted today.

Precisely now the hand must not shake in economic policy. Otherwise the situation will never improve in a lasting way.

Schluter Pledges to Maintain Course

Copenhagen BERLINGSKE TIDENE in Danish 5 May 83 p 10

[Editorial]

[Text]

The nonsocialist four-party government stands or falls on its economic policy not being interrupted at the half-way point.

Yesterday, therefore, at a meeting arranged by the newspaper BORSEN, Prime Minister Poul Schluter sent straightforward warnings to the radicals in particular. The warnings concern the negotiations on savings in block subsidies of three billion kroner, which so far are undecided. In connection with the finance bill for 1984, the government wants to achieve a majority for a total savings of

ten billion kroner with help from the radicals and the Progressive Party.

"It is completely certain that the development we have started is bringing back confidence, optimism, and a go-go mood in Danish economic life. The deathly fear of costs and interest rates no longer lies like a heavy and damp blanket over conditions that might stimulate the economy. Naturally we have not solved Denmark's economic problems once and for all. The policy we have begun will be continued, expanded, supplemented, and adjusted to changes in conditions," the Prime Minister said. He added: "I cannot guarantee that we will continue to have the parliamentary strength to carry the policy through to a happy conclusion. What I can guarantee is that we stand or fall on not having the development we have begun stopped at the half-way point."

Later in the speech, Poul Schluter said: "It is my firm conviction that the four-party government's justification for existence simply stands or falls on whether we can recreate a strong and viable economy, whose backbone is a healthy, effective competitive ability."

SDP, Labor Seen Actually Backing Policies

Copenhagen BERLINGSKE TIDENE in Danish 3 May 83 SECT III p 2

[Commentary by Frank Dahlgaard: "The Myth of Great Disunity"]

[Text] The SDP and Labor have, with a host of speeches on 1 May, tried to take exception to the government's economic policy, but in reality the SDP is in agreement with the four-party government on all basic policy.

The SDP and Labor celebrated the day of the workers this year with the slogan: "Fight for the Welfare State."

The first of May was used by the SDP and Labor to direct a violent attack upon the four-party government's "antisocial cutback policy."

This attack is being carried out without mention of a long series of interesting and basic facts. For example, the fact that Knud Heinese, in a TV broadcast as early as 29 February 1980, made it clear that the welfare system is threatened if we do not quickly achieve zero growth in the public sector. Therefore the real growth in the public sector's expenditures must be completely stopped.

The statement was strongly supported by the then Finance Minister, Svend Jacobsen, in a long article in BERLINGSKE (1 March 1980).

"Antisocial Cutbacks"

It is also a fact that the SDP followed up this recognition in April 1980 with an "economic-political program of action," in which zero public growth from about 1983 was an express goal.

This goal is indeed a good one. The four-party government is now about to achieve it by a series of public cutbacks. The present government wants, just as do Knud

Heinesen and Svend Jacobsen, to preserve the welfare state.

The SDP has spoken much recently about the four-party government's antisocial cutbacks, which, one claims, particularly hit the weakest citizen.

It is however a fact that the SDP government's last move on 1 September last year contained cutbacks in health money, cash aid, child subsidies, pensions, and unemployment benefits. The much talked about "hunger circular" on youth assistance was, as is known, also worked out by an SDP social minister.

Honestly, it is difficult to distinguish between the policy that the SDP wanted (but did not manage) to put through when it had the government and the policy the four-party government is now following.

Deficit Policy

Concern about the large national deficit is not a nonsocialist phenomenon, either. In July of last year the then Finance Minister Knud Heinesen wrote in the party newspaper NY POLITIK that the deficit policy was leading to an anti-social redistribution in the country, because it is especially the well-to-do, who, as holders of government bonds, will receive large interest income from the state (i.e. taxpayers) in the future.

It is precisely this antisocial deficit policy that the four-party government has begun to combat. Why, then, criticize the government for being antisocial?

Wage Policy

The four-party government's wage measure of October of last year has been violently criticized by the SDP. In spite of the fact that the socialist government, in connection with the Shrovetide devaluation in February 1982, had a measure ready that contained the elimination of one or more cost of living payments, and that this was in agreement with the present measure of the four-party government.

Note also that the political left wing has not been able to get a promise from the SDP to reintroduce cost of living increases and work time regulations as soon as the opportunity arises.

The explanation is naturally that the SDP is completely aware of the good effects of lower wage inflation. Why such continued irrational criticism?

The Foreigners' Fault?

Just as the SDP, when it had the governmental power, tried to explain away its economic fiasco by referring to the situation abroad, it is now trying to explain away the success of the four-party government in the same way.

"The fall in international interest rates and in oil prices is responsible for the fall in interest rates here at home, and for the decline in Danish inflation," the Social Democrats said on May Day last Sunday.

It is also a fact that the National Bank says something different. At the Real Credit Council's annual meeting in Nyborg 22 April this year, Director Erik Hoffmeyer explained the lower inflation rate and the enormous fall in interest rates by the following three factors: the government's cutback policy, the government's wage policy, and the government's currency rate policy.

The National Bank Director also made it clear that the last six months' fall in interest rates in Denmark is much greater than in any other country.

Real Wages and Unemployment

It is a fact that this year there is the prospect of the lowest wage increases in the past 23 years. Of course one can make a lot of this if one remains silent about the fact that real wages are now growing and that the past six years' uninterrupted decline in real wages after taxes seems to be stopping here in 1983 under a nonsocialist government.

Many speakers made much on 1 May of unemployment. This is also justified, for it concerns an essential problem of society (which has been allowed to grow greatly while the SDP was in power). But unemployment in Denmark is not larger than in most of the other EEC countries, and the growth in unemployment is, according to the latest figures from DANMARKS STATISTIK (seasonally corrected), about to stop.

They are United!

The present four-party government has just begun to struggle to save the welfare state. The SDP leaders know this very well, and most of the SDP voters know it, too: BERLINGSKE's Gallup poll of 24 April revealed in fact that two-thirds of all SDP voters think that the four-party government has done well.

This is, in fact, a fact.

It would become the labor movement to stop the stream of slogans and empty phrases about the four-party government's "brutal and antisocial cutback policy," when it is really in agreement with the government in all essential economic-political measures. But of course it is precisely this that is the SDP's problem.

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CSO: 3613/110

NEW TYPE OF REFINANCING LOAN AVAILABLE TO INDEBTED FIRMS

Paris LES ECHOS in French 21 Apr 83 pp 11-12

[Article by David Martin: "Slow Spoonfeeding to Reinvigorate Companies"]

[Excerpts] It is understandable that French firms' finance charges became one of the main campaign issues as the municipal elections drew near. The total indebtedness is in the neighborhood of Fr 1 trillion--increased by about Fr 100 billion in the full year since May 1981, according to management--with a share of mandatory payments (taxes, social security contributions, and various indirect taxes) that is reported to reach 45 percent of the gross domestic product [GDP] in 1983.

Now that the elections are past, government authorities and management have agreed--though one swallow does not make a spring--to work together to calculate the exact figure for this serious handicap on company production and investment outlook. (The commission to estimate business indebtedness was created after a conversation between Messrs Mauroy and Gattaz; it is made up of three high-ranking civil servants and three directors of the CNPF [National Council of French Employers]. It is scheduled to submit its report at the end of April.)

For the present, though, the Rue de Rivoli has finally given the go-ahead to a new procedure that will, under certain conditions, enable companies to take out long-term discounted loans at 9.75 percent interest from establishments specialized in this type of transaction, namely the National Credit, the Small and Medium Business Investment Credit (CEPME), the Central Cooperative Credit Fund, and the system of Regional Development Companies (SDR).

After the speech in Figeac, where the president of the Republic formally announced what was to be done for the companies--and the CNPF--government officials found several possibilities to consider during the several weeks they had to wait until they received precise instructions on the direction that this highly political decision was to take.

It was possible, for example, that the Treasury would forgive a certain number of debts to business, which would have really justified the word "moratorium." Likewise, Mr Delors' service could have opted to reschedule certain debts

without forgiving them; or certain losses could be carried on previous budgets, even to the extent of setting up a system of interest-rate discounts on the condition that the company promise to make investments in 1983.

The Assistance Tangle

This last possibility was finally chosen because it was simple and because new investment was imperative. These two considerations were welcomed by business, which has been constantly complaining about the tangle of financial aid and the multitude of rates charged by different organizations (for example, at least 40 different organizations operate on the French market to make business loans).

Once the main principles had been decided upon, the thresholds and conditions of the special refinancing loans (PSR), as they are being called, had to be spelled out more in detail.

The system that has been selected is based on fixed rates because government authorities consider French industry's indebtedness to the financial system is essentially represented, at a level of 75 percent, by variable rates that automatically benefit from the present slowdown in interest rates. (The industrial sector includes construction, public works and industrial services but not public services.)

The rest, which comes to about Fr 75-80 billion according to the latest figures (1981), has been contracted for at fixed rates that have reached exceptionally high levels (16-17 percent) in the last 2 years.

A long- and medium-term fixed rate of indebtedness has thus been set at 12 percent for 1983, which is 0.25 percent higher than the rates presently allowed for unsecured loans (11.75 percent), especially for assisted loans to companies having large investment programs.

Services Excluded

The next important decision to be made, one that financial circles had recognized since the beginning of the year, was to limit the possibility of taking out special refinancing loans to industry, construction, public works, transportation and industrial services. This list includes, for example, all who provide services directly to industry.

Companies Affected

Actually, considering the three essential parameters:

- (1) sectors limited essentially to industry, construction and public works;
- (2) indebtedness at a fixed rate over 12 percent in 1983;
- (3) an investment plan for the same year;

How many French companies are affected by this new arrangement?

This question is essential, but no one is yet in a position to answer it with certainty, neither the establishments that will be issuing the new credit nor the government authorities, who are unable to calculate these funds, which must normally be "budgetized." The CNPF very quickly solved the problem by announcing flatly that practically no French companies at all were affected by the PSR, but the publication of the Treasury recommendations and the arrival of the initial dossiers from the National Credit, the CEPME, and the Regional Development Companies invite a less categorical response.

The fact is that nobody in France has statistics recent or trustworthy enough to apportion business indebtedness according to fixed and variable rates. Also, the present five clearinghouses for company balance statements (the Bank of France, the Deposit Bank, the National Credit, the INSEE [National Institute of Statistics and Economic Studies] and the head of forecasting) cannot bring together before June or July 1983 the initial information on the overall indebtedness situation of the companies covered by the clearinghouses.

At National Credit, the regional delegations quickly received the material intended for the companies likely to be interested, but few of the delegations seem to be concerned (fewer than a thousand), considering the size of the companies normally dealing with National Credit. In any case, these companies are completely familiar with the whole range of financing already being offered.

Some Success is Likely

On the Rue de Richelieu, where the CEPME has set up its new offices, officials hesitate to quote a figure and limit themselves to indicating that 10-12,000 companies in CEPME files have an average indebtedness at a fixed rate of 12 percent. That is a large group, but it is still hard to tell how many firms will be ready to invest while the procedures are being set up. It should be noted that this organization made more than 15,000 long-term loans and about 40,000 professional loans in 1982.

As for the Central Cooperative Credit Fund, information on the PSR is spreading through the federations of movements and associations represented on the Fund's board of directors. No particular advertising is being done, and the Social Economy Bank on Avenue Hoche has not yet calculated the returns on a formula that should be of interest to many cooperatives and the SCOOP [cooperative societies] in construction and transportation that are numbered among its customers.

At the Association of Regional Development Companies, the response appears to be the clearest and most disappointing, except that it must be considered that the program has been officially available for barely a month now. Out of the SDR's 13,000-odd customers, 500 to 1,000 companies could fall under the plan outlined by government authorities.

At the moment, only about 15 applications have been filed.

However, while companies are not "thronging the windows" as some people said, a bit hastily, that they would back in early March, the special refinancing loan formula is bound to have some success, especially with medium-sized companies that cannot remain indifferent to the idea of taking advantage of a preferential 9.75 percent interest rate in order to lighten the load on their balance sheets.

A large information campaign will have to be undertaken, especially toward business groups and trade unions so that they can advise their representatives of the new possibilities open to them, not to mention toward the accountants, who, along with the bankers are still the ones privileged to have the ear of business.

Supplementary Refinancing Loans--PSR

Beneficiaries: Companies only in the following sectors: industry, construction, public works, transportation and industrial services.

Conditions: (1) Financing costs due in 1983 for all long- and medium-term indebtedness contracted in francs and only at a fixed rate must amount to at least 12 percent of the indebtedness as of 31 December 1982.

(2) The company must have an investment plan in 1983 financed by a special investment loan (PSI), an assisted loan to business (PAE), a loan at market rates (CPM), "Article 8" mutual professional credit, or prepayable medium-term loans.

Amount of loan: The amount of the loan is equal to the average amount of a principal repayment annuity for the following loans obtained before 31 December 1982:

[1] long-term loans from the CEPME (or the Central Commercial and Industrial Hotel Credit Fund, from the PME [Small and Medium Business] Interprofessional Group, or the National State Markets Fund), the National Credit, the Regional Development Companies, and the Central Cooperative Credit Fund;

[2] long-term loans contracted for by an intermediary of a professional borrowing group;

[3] fixed-rate "Article 8" mutual professional loans;

[4] fixed-rate medium-term prepayable bank loans;

[5] participatory loans other than those granted by the national government.

The amount of the loan can be increased as a function of cash yields (on capital and blocked current accounts) in 1983. Given this increase, the amount of the PSR may equal 3 times the amount of the annuity described above.

If a company may apply for a loan at a maximum of less than Fr 50,000, the loan will be made arbitrarily at Fr 50,000.

Duration: 12 years, with a 2-year period before repayment.

Rate: 9.75 percent a year.

Means of repayment: By regular quarterly, semesterly or annual payments for loans over Fr 400,000. By regular annuities for loans not exceeding Fr 400,000.

Collateral: Normal guarantees for loans over Fr 400,000.

For loans not exceeding Fr 400,000, a non-reimbursable waiver of 3 percent of the loan is regularly applied by the CEPME, which has the advantage of freeing the company concerned from supplying collateral.

General Conditions: There is no ceiling on the total PSR volume. These loans will be financed by specialized organizations in addition to long-term loans issued in 1983 and will be discounted by the national government.

Procedure: The company applies to one of the specialized establishments (National Credit, CEPME, the Central Cooperative Credit Fund, or the Regional Development Companies) and submits a request for a supplementary financing loan (PSR) with the following information:

- [1] A list of fixed interest rates on 1983 on long- and medium-term indebtedness and the status of this indebtedness as of 31 December 1982 (amortization tables and loan contracts will suffice for this purpose).
- [2] A plan for refinancing new investment with annual prepayment of the principal in fixed-rate installments.
- [3] An abstract of the company's contract books with the latest modifications.
- [4] The company's bank identification and an authorization for automatic payment.

Most specialized organizations have prepared forms that elicit all this information in simplified form; they sometimes agree to waive submission of supporting documents until the need for them arises, provided the request is for a loan of less than Fr 400,000. The documentation so affected is mainly the amortization tables and fixed-rate loan contracts, and even the confirmation by lending institutions of the indebtedness status as of 31 December 1982 and the amount of interest for 1983.

Last but not least, the specialized organization need only calculate the amount of the supplementary refinancing loan issuable as a function of the funds it can contribute and the company's financial situation.

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CSO: 3519/454

ENERGY, TRANSPORT FIRMS LOSE FR 3 BILLION FROM 1983 BUDGET

Paris LE NOUVEL ECONOMISTE in French 21 Apr 83 pp 11-12

[Article: "The Second Turn of the Screw"]

[Text] Austerity began a month early for public corporations. On 22 February, the Board of Directors of the Fund for Economic and Social Development, which now supervises investment made in the public sector before 1981, held a special meeting on "1983 finance programs for public corporations in energy and transport." Fr 9 billion were cut from requests made last autumn by the directorates of the "old nationalized companies"; these cuts affected 10 GEN (large national companies): EdF [French Electric [Power] Company], GdF [French Gas Company], CdF [French Coal Company], SNCF [French National Railways], the superhighways, RATP [Independent Parisian Transport System], CNR [National Company of the Rhone], CGM [General Council of Mines], Air France and Paris Airport. The main victims of this discreet first turn of the screw are inventory, treasury needs and, "as little as possible," investment, which is supposed to stagnate in volume, rising from Fr 68 billion in 1982 to Fr 73 billion in 1983.

The Delors plan, which was presented on 25 March, will deal them another blow. The companies will have to do without some Fr 3 billion for "total external financing needs" net of borrowing on French and foreign financial markets. Of course, not everything will affect investment. There will be a new effort "to moderate current expenses still further" and to make "faster progress in productivity."

Within the various companies, no one is really sure where to wield the hatchet, and, with Easter vacation coming up, their thoughts are elsewhere. Four companies alone (EdF, SNCF, GdF, and RATP) account for more than 82 percent of the total investment of the "old nationalized companies." In first place is the EdF (Fr 43 billion). Mr Edmond Maire, its leader in the CFDT [French Democratic Confederation of Labor], expects a "slowdown in the electronuclear program." The GdF is, in any case, one of the companies expected theoretically to benefit the most from the drop in oil prices decided on in London last month by OPEC. The savings are estimated to amount to Fr 1.3 billion for the GdF for the rest of 1983, unless the decline of the dollar and the revaluation of the Dutch florin (the GdF buys almost 15 percent of its fuel in Groningen) completely wipe out this advantage. Meanwhile, accelerated rate collections are providing considerable support for the GEN. Once month's advance will bring in Fr 250 million to the GdF and Fr 500 million to the EdF.

All told, only one slice of the public sector has escaped austerity: the industrial companies nationalized since May 1981. In their case, there are no adjustments in investment plans or operating expenses to moderate. The exceptional effort that the government has made for them in the 1983 budget remains intact. The Left has not given up on its industrial venture, despite hard times.

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CSO: 3519/454

METHOD FOR NEW QUOTATIONS ON STOCK MARKET

Paris LE NOUVEL ECONOMISTE in French 4 Apr 83 p 71

[Article by Bruno Abescat: "New Listings: the End of Overbidding"]

[Text] About 15 companies are to be listed on the "second market" between now and the end of the year. This estimate was made by Mr Yves Flornoy, representing the Brokers' Company, at a meeting of the Finance Press Club last week.

The Paris "second market" was initiated on 1 February and has already listed Zodiac and Sodexho. Mr Flornoy's only regret is the overbidding engaged in by the operators in each of these cases. The operators "inflated" their purchase orders in order to be sure they would obtain the number of shares they wanted. More than 1,055,000 shares were requested for Sodexho on 2 March whereas only 36,525 shares were being offered. Twenty shares of Sodexho and 15 of Zodiac had to be requested in order to get one share after "reduction." This excess in success is nothing new; the same scenario took place on 22 October 1981 when the General Geophysics Company was admitted to the official listings.

Mr Flornoy explained that the Chamber of Brokers now has a new weapon to "avoid this kind of overheating and try to tame demand." The Chamber may now impose a "public sale offer" (OPV). Although this procedure had theoretically existed since 1978, it could not be used when a new company was to be listed on the stock market. This situation was recently rectified by a decision published in the JOURNAL OFFICIEL last 5 March.

What is it? The public sale offer allows the company entering the market to set in advance the price for which it intends to sell its shares when they are first listed on the stock market. In addition, all purchase orders must be made in the name of a particular party, and shares will be distributed by lot, if need be.

Advantages

This system thus completes the two procedures already in use. The first, or "ordinary" procedure is applicable to shares already quoted on the market (especially on the over-the-counter market). The company then simply proceeds to raise capital. The second procedure (called "tender offer") involves offering

a bloc of shares at a minimum price and with an introductory rate serving as the basis for an auction.

What are the advantages of the new regulations? The OPV will doubtlessly not be enough to reduce demand, especially if the newly listed company has a promising future. It also involves the disadvantage of being long and cumbersome. But it does have two advantages. "First, it will make it possible to set a 'reasonable' initial price that has realistic possibilities of going up," says Mr Yves Schelcher, the broker in charge of the Zodiac listing. Thus, purchase orders at too high a price will disappear. In the case of the Geophysics company, for example, some orders came in at more than Fr 1,800 for an asking price of Fr 1,200. The second advantage of the OPV is that the brokerage office will publish a note along with the official price specifying the "conditions of conveyance" of these orders and the "means of undersupply that may be applied to them." This procedure should thus also help do away with operations in which demand cannot be fully supplied. Demand for Sodexho and Zodiac, for example, could be met only at the rates of 5 and 7 percent, respectively. The new formula should make it possible to satisfy a larger number of purchasers.

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CSO: 3519/454

BRIEFS

LOANS TO AFRICAN NATIONS--The sum of Fr 530.23 million has been lent by the Central Economic Cooperation Fund (CCCE) to 6 African countries and 2 overseas territories for the first 2 months of 1983. The principal recipients of this aid are Senegal (Fr 200 million to finance the country's investment program), New Caledonia (Fr 105 million) and Madagascar (Fr 188.7 million to finance food agriculture projects). [Text] [Paris L'USINE NOUVELLE in French 21 Apr 83 p 83] 8782

CSO: 3519/454

SOCIALIZATION OF NATIONALIZED ENTERPRISES ANNOUNCED

Measure Deemed Anti-Labor

Athens I KATHIMERINI in Greek 21 May 83 p 1

[Excerpts] Premier A. Papandreou announced yesterday the "socialization" of the already nationalized enterprises with a bill which all other political circles hastened to characterize as anti-labor because it provides for the abolishment of the right to strike. The premier's announcement, which took place yesterday noon at the Council of Ministers before the invited representatives of the press, provoked a reaction from the other parties. In addition, there were demonstrations in downtown Athens in an evident beginning of a confrontation between the government and the parties of the Left, mainly the KKE. Yesterday, the leader of the official opposition, Mr. E. Averoff, stated that the bill provides for the abolishment of the right to strike, while the KKE, with an announcement by its press office, characterizes the bill as "astounding" in that it is turned against the entire working class and demands its immediate repeal, otherwise the workers will not accept it. The KKE(Interior) also, in an announcement, characterizes the bill as monstrous as it widens the chasm between the government and the working class. Political observers pointed out that it is not a matter of socialization, but partisanship of nationalized enterprises, banks, etc.

The reactions by the representatives of labor organizations of the enterprises affected by the bill were also immediate. In any event, the government places special importance on the bill because it considers it indispensable to stem the wave of strikes and to control the worsening of the economic crisis. On the other hand, according to press reports, it appears that the hopes for an upturn in the economy have been dashed even for the government leaders themselves and for this reason, the measures for the upturn in construction are failing and were not even discussed in yesterday's Council of Ministers.

Political observers commented widely upon the fact that yesterday was the first time that demonstrations on such a scale took place immediately following an announcement by the premier himself, who assumed the responsibility for the new bill and is also paying for the consequences of the popular reaction.

The parties of the traditional Left are forced to support the demonstrations unless they wish to be cut off from the workers, and are, therefore, striking directly at the premier's intentions to declare himself the protector of the

workers, whom he attempted yesterday to equate with the State through their participation in the various councils of government enterprises.

Finally, it is emphasized that the bill seeks to control strikes in the sectors which were in the forefront in the work stoppages in recent years such as banks, transportation, hospitals, etc.

It is interesting to note that Mr. Papandreou stated that the new bill, "first and foremost" concerns the banks and public service enterprises which are controlled by the State, and also covers all other areas in which strikes have taken place in recent years. At another point, the premier restated his position that the workers are the owners of the enterprises, which belong to the State, and added that "we are counting on the sense of responsibility of the workers" for "the formulation of truly new and original labor relations in our country."

The Premier's Speech. What is "Socialized"

"The question is, which are the enterprises that are going to be socialized? First and foremost, the State-owned banks. Not all banks, there are private banks as well. The State public service enterprises whose joint capital is controlled by the State and belong to the following categories: hospitals, water, sewage, energy (electricity and gas), petroleum, transportation, telecommunications, mail, radio-television, cargo handling and storage.

"We are counting on the sense of responsibility of the workers, without which, this great leap has no possibility of succeeding. We are looking forward to democracy, both in the administration and in management. We are also looking forward to democracy in the decisions which involve the right to strike, the right to work. That is, the democratic principle of the majority is strengthened for the public enterprises which are being socialized. We are not aiming at having a State labor movement and we are not about to serve organized minorities.

"This great decision is contained in a simple bill which was signed by the ministers of National Economy, to the Premier, Labor and Interior and aims at the coordination of these basic factors in the economic life of the country. The private sector, which, naturally is not touched by the measures that we announced and is not socialized, is controlled in order for its work to contribute to the success of the goals of the developmental program of the country. There is the public sector, which we are today socializing and there remains, of course the social sector, as it is expressed by public enterprises, popular base enterprises and cooperatives such as agricultural, animal husbandry, agribusiness or consumer."

Text of Law

Athens I KATHIMERINI in Greek 21 May 83 p 13

[Text] The bill for the "Socialization of Enterprises of a Public Nature or Public Service" which was submitted to the Chamber of Deputies provides the following:

Article 1

1. The term "socialization of enterprises of a public nature or public service, banks and insurance corporations" means the participation in the administration, the formulation of policy, the planning and the oversight, of representatives of:

- a. The State;
- b. The Local Self-government;
- c. Those working in the enterprise, or the branch, or the sector, or the area, or the entirety of the country;
- d. The social agencies and organizations which are either served or directly influenced by these enterprises;
- e. Corporations or individuals who own stock of the enterprise;

2. This socialization aims to:

- a. To serve the national interests and the society as a whole;
- b. To promote the active participation of the employees in the decision-making;
- c. The coordination of the operation of the enterprise with the national, regional, and local programs of economic and social development as well as with the natural, social and political environments;
- d. The savings, as much as possible, of economic resources;
- e. The increase of productivity and yield for the benefit of those working in the enterprise and for the improvement of the services rendered to society as a whole.

Article 2

1. The following categories of enterprises are socialized, as long as the joint capital is owned in its entirety or its majority by the government, by Legal Entities of Public Law [semi-government corporations] and by the public service institutions, government organizations or semi-government corporations as long as they are supervised or subsidized by the State or by semi-government corporations:

- a. The enterprises of a public nature or public service, as provided by Article 19, Paragraph 2, Line 2 of Law 1264/82 FEK [Government Gazette Issue] number 79;
- b. The banks and insurance corporations which belong to the government, as defined by Article 1, Par. 6 of Law 1256/82, FEK number 65.

2. The structure, the role and the method of the administration and operation of every socialized enterprise or group of similar corporations of the type referred to in Paragraph 1 with regard to the national economy and the national interest, the social benefit, the local interest and those employed by it, are defined according to the specific nature of each enterprise, by presidential decrees which will be issued within eight months, at the latest, after this law goes into effect. The mode of operation of every socialized enterprise will be shaped in such a way as to ensure the utilization and capacity of its productive potential and the openness of its financial management.

The composition of the administrative, planning and overseeing apparatus of the above enterprises will also be defined by these decrees in order to ensure:

- a. A unified administrative center for an effective operation with the possibility of a vertical decentralization by branch, unit or geographical location;
- b. The participation of the agencies mentioned in Article 1, according to the nature of each enterprise, for the purpose of achieving the goals of Paragraph 2, of Article 1;
- c. The harmonious development of the new labor relations which stem from the socialization and create new rights and obligations for the employees;
- d. The rights of the shareholders, whether individuals or corporations, of the enterprises according to the existing laws.

3. The presidential decrees of the preceding paragraph are issued at the proposal of the minister of National Economy and the ministers having joint jurisdiction, as the occasion demands, after an opinion is rendered by committees formed by representatives : a) of the government, b) of the administration of the enterprise or the group of similar enterprises, and c) of the employees and agencies which participate according to Article 1.

The composition, the procedure for the election of representatives and the operational details of every committee are defined by joint resolution of the minister of National Economy and the ministers having joint jurisdiction, within a month after the publication of this law.

Article 3

1. The publication of the presidential decrees of Article 2, Par. 2, will be followed by the publication of presidential decrees in order to adapt the charter laws, by-laws and the internal regulations of the socialized enterprises following a proposal by the minister of National Economy and the ministers having joint jurisdiction.

2. When this law goes into effect and until the above-mentioned decrees are published, the enterprises will continue to be governed by the current statutes as modified by the present law.

Article 4

1. The decision for the calling of any work stoppage by the employees of the above-mentioned socialized enterprises, is made by the general assembly of the primary labor organization with the absolute majority of its registered members.

The voting for adopting the above-mentioned decisions will take place at the headquarters of the central or regional branches of the primary organizations of greater regional or Panhellenic scope, as provided by their by-laws. If such provision or regulation does not exist, the voting by the members who work in the region will take place at the home seat of their place of employment or at the locations designated by a decision of the leadership of the union.

2. For secondary labor organizations of the above-mentioned employees, the decision for the calling of any work stoppage is made by the assembly with the absolute majority of the entirety of the elected representatives of the union members of each organization.

The leadership of the primary labor organization, or one tenth (1/10) of its members can, within 5 days from the date the decision to strike is made, request a meeting of the general assembly of the union for the purpose of deciding whether or not to participate in the strike which has been decided upon by the secondary labor organization of which it is a member. From the time the decision is made by the leadership of the union or the filing of the request by 1/10 of the members and until a decision is reached on the subject by the majority of the registered members in the general assembly, the participation of the employees, who are members of this primary organization, in work stoppages is illegal.

3. The convening of the general assembly or council to reach a decision on work stoppages by the leadership of the labor organization is called for at any time independently of the time limits provided for in the by-laws or Law 1264/82, and the voting can take as long as 2 days, depending on the circumstances.

4. The decision for calling for or carrying out a strike of any kind is made after secret balloting in the presence of a representative of the judiciary and after the showing of a police identification card and the election record card in accordance with Articles 13 and 28, Par. 1, of Law 1264/82. In the balloting of the regional sections, the presiding judge of the Court of First Instance can even delegate as a judicial representative an attorney from the jurisdiction of the Court of First Instance.

5. Substitute Line 4 of Par. 1 of Article 20 of Law 1264/82 only in reference to the socialized enterprises of the present law with:

"Employees of the enterprise who are not members of any labor organization can participate in a strike which was legally called by the organization most closely related to their occupation."

6. In any other instance, the provisions of Law 1264/82, FEK number 19 are in effect.

9731
CSO: 3521/325

CONSERVATIVE PARTY STRESSING CLEARER OPPOSITION ROLE

Helsinki HELSINGIN SANOMAT in Finnish 13 May 83 p 17

[Article: "Government Faces Opposition in Parliament; Conservative Party Toughens Approach"]

[Text] The Conservative Party parliamentary delegation is getting ready to tighten its opposition policy. The delegation's aim is to put the screws to the government in Parliament rather than being any longer content to criticize the government "for its conservative but inadequate measures."

Dissatisfied with the outcome of the election, the Conservative Party delegation withdrew to Kirkkonummi on Thursday to formulate opposition policy guidelines. Party leaders have entertained the idea that the focal point of activity should be shifted to Parliament where they intend to vigorously attack the government.

The foundation for the new line has been the election outcome and the negotiations over the government. The Conservative Party lost three seats in Parliament in the elections, although its proportion of the vote did increase slightly.

The gap between expectations and the final outcome was, however, a big one, since in the party they had generally expected to get a 50-member parliamentary delegation, whereas there are only 44 members in the present delegation.

An internal debate has been going on inside the Conservative Party since the elections and in it the party has been charged with going along with the government. Now Conservative Party leaders are of the opinion that the party will remain in the opposition throughout the entire election term that has begun and that this presupposes a change in political direction in Parliament.

The Conservative Party plans to shed its facelessness and go ahead and attack government policy, especially in Parliament where the rigid line that has been followed will also provide the party with the publicity it is in need of.

If the Conservative Party's plans succeed, the Conservative Party will mercilessly attack nearly every government proposal and demand that they be improved.

"We Will Block Economic Powers"

At the Thursday delegation meeting Conservative Party chairman Ilkka Suominen chose as an example the proposal formulated by the government for facilitating the enactment of laws delegating economic powers.

According to the government program, they intend to change the order of the day so that "laws that grant necessary economic powers for specific periods of time to alleviate national economic difficulties may be enacted without promulgating them as emergency laws."

"SDP Concentrates Power in Itself"

Suominen asked the Center Party, the RKP [Swedish People's Party] and the SMP [Finnish Rural Party] why these parties want to add to the uncertainty in business activities. Then Suominen posed the question as to why these parties want to weaken Parliament's central position and transfer the power to make decisions that belongs to Parliament to the government.

"Such a change in the law, which would make it possible to enact laws granting economic powers for specific periods of time without promulgating them as emergency laws would namely mean the transferring of the relevant decision-making power to the government in those cases which at present require the unanimous vote of a five-sixths majority in Parliament," Suominen said.

According to the Conservative Party leader, the plan involves a Social Democrat attempt to weaken the need for cooperation among the parties and increase the concentration of the veto power.

"The Social Democrats are beginning to take the last step toward supremacy with the cooperation of their nonsocialist coalition partners," Suominen said.

According to Suominen, "this means a weakening in our arguments for guaranteed protection of property and free enterprise. There is good reason to immediately announce to the government that the Conservative Party will block such a change in the law in this Parliament," the Conservative Party chairman said.

The Conservative Party would have a chance to prevent a change in the government order of the day if it were promoted as an urgent matter, but Justice Minister Christoffer Taxell (RKP) has already announced that all changes in constitutional laws will be carried out in the normal order of business.

In practice this means that a planned change in the government order of business must first be approved in Parliament by a simple majority and by a two-thirds majority in the next Parliament. Thus the government does not need the support of the Conservative Party in this Parliament.

The Conservative Party chairman was surprised at the fact that the nonsocialist parties have knuckled under on this point too to the Social Democrats' dictatorial policy in drafting the government program.

FIRING OF KARJALAINEN MAY RESULT IN PROBLEMS FOR VAYRYNEN

Stockholm DAGENS NYHETER in Swedish 15 May 83 p 2

[Editorial by Olof Santesson: "Karjalainen's Fall"]

[Text] The Bank of Finland has a much stronger position in the area of economic policy than our own National Bank, to make the most obvious comparison. During periods when Finland's coalition governments have been worn down by internal conflicts, the bank, with the president's consent, has functioned almost like a "second government." Of course it is noteworthy that the head of this powerful institution is now being dismissed in spite of his protests--and at the same time it is a personal tragedy.

Ahti Karjalainen has had a heavy fall. In the early 1970's he was regarded by successive prime ministers and foreign ministers as President Kekkonen's crown prince. Even in the fall of 1981, it was a hard fight before he was outmaneuvered by Johannes Virolainen as the Center Party's presidential candidate opposing Mauno Koivisto of the Social Democrats. A few days ago he left this party during a sharp attack on party leader Paavo Vayrynen. Vayrynen wanted to remove Karjalainen from the bank post to make room for another party man as part of complicated government deliberations.

It is interesting that President Koivisto himself finally intervened in the Center dispute and saw to it that Karjalainen was removed from the job--with a very thinly-veiled reference to his relapse into alcoholism. This intervention was somewhat in conflict with Koivisto's desire not to appear to be directing political moves. And it could not have been welcome to dismiss a man with very good contacts in Moscow; Karjalainen is head of the Finnish-Soviet Economic Cooperation Commission and in the fall of 1981 it was obvious that the Kremlin wanted to see him elevated to the post of president of Finland.

In view of Karjalainen's recurring difficulty in handling his job, people should understand that Koivisto acted in a way that can be said to support Center Party leader Vayrynen, the country's new foreign minister. But in several respects he has taken a hard line during the government negotiations. The conflict with the now deposed Karjalainen could jeopardize the laboriously constructed peace in the Finnish Center Party--and Vayrynen may have endangered his own power position.

6578

CSO: 3650/189

WITH ONLY FOUR MP'S LEFT IN PARLIAMENT, CHRISTIANS REASSESS

Helsinki UUSI SUOMI in Finnish 29 Apr 83 p 6

[Article by Jukka Knuuti: "Christian League Boiling: We Must Return to Basic Values, Renounce Party Subsidy"]

[Text] Things are boiling within the Finnish Christian League (SKL), which suffered defeat in the elections. Constituents feel that the common party line the new chairman, Esko Almgren, introduced cost the party six seats in Parliament. Now they long for a return to basic Christian values and want to replace the party subsidy with self-administered fund procurements.

They are not yet ready to replace Almgren with a new man in June because the entire party leadership was renewed a year ago. Nevertheless, they maintain that it is only a matter of time as to when professional politician Almgren will be replaced by a more charismatic chairman, one who is more like Westerholm.

In the SKL, which is getting ready to celebrate its 25th anniversary, they regard the political line that has been chosen as being especially responsible for the election defeat. Like the other parties, position papers on economic policy were written up instead of emphasizing basic Christian values. They criticize their party leaders for writing them since the other parties are in any event more experienced than the Christians in such things.

Now they demand that the party be itself. More attention must be paid to the basic Christian values and the stressing of social responsibility. On the other hand, especially the party's younger members fear that it will drift into reactionary policies with regard to abortion, mild beer and pornography as a prohibitionist party.

Party Subsidy Viewed as a Bad Thing

The demand that the party subsidy be given up is an original feature of the party's internal critical debate. In the opinion of critics, money easily come by has made the Christians, who are used to managing their own affairs, lazy. If activities were funded by themselves, greater active participation and motivation would be created. They feel, for example, that a special, voluntary 200-markka membership fee, which in itself, without raising any more money,

would compensate for the party subsidy to be relinquished, would be quite feasible.

Rejection of the party subsidy was discussed at a meeting of party representatives. For understandable reasons, party leaders were not, to be sure, enthused over the idea at the meeting.

Unsuccessful Election Coalitions

However, dogged by bad luck in election coalitions too, they admit that that partly accounts for their election defeat. Before, the party usually won the tight struggles over the last remaining seat and they thanked God for that. But this time, since luck was against them, those among them who are more worried already have doubts as to whether God has rejected the party. In Etela-Hame they were short of winning a seat by one vote. In both Keski-Suomi and Vaasa they would have needed from 200 to 300 votes to win an additional seat. Vaasa particularly bothers the Christians. Jorma Fred would have kept his seat in Parliament without the election coalition, but with the coalition he lost it.

In 1979 their election coalition partner, the SMP [Finnish Rural Party], was bitter because the Christians were not interested in having it as a partner in those elections. Before constituents, SMP members accused the Christians of having displayed bad faith and of spreading rumors to the effect that Almgren had been promised a seat in the government as his price for the coalition.

The SMP accusations probably had an effect on the outcome of the elections for the Christians. But now they expect that at least the more seriously thinking voters will return to the fold from the SMP, which has surprisingly become a government party.

No More Election Coalitions

In the opinion of the critics, the particular nature of the party must be taken into consideration in any future election coalition policy. A powerful concentration of support in several election districts would enable the party to get half a dozen of its own representatives elected without an election coalition. This would, however, require a full contingent of candidates, such that the different religious sects would each have their own candidates. At present, for example, they are saying in Helsinki that the poor election outcome was in part due to the fact that Finnish-speaking Pentecostals felt that they could not vote for Asser Stenback, who is a member of a Swedish-language church.

In the party they feel that their 20,000 members will permanently back a support base by means of which they will get from five to seven representatives into Parliament. That is why it is not worthwhile worrying over the party's existence, although three seats is the worst election result since 1970, when Raino Westerholm was elected as the party's first representative in Parliament.

In 1972 they got four representatives and nine in both 1975 and 1979. On both occasions election coalitions decisively helped things along. They explain the election defeat by saying that chiefly those seats obtained with the help of borrowed votes were lost this time.

Almgren Is Not Charismatic

In Christian districts a vigorous effort has been made to replace the party chairman, although they want Esko Almgren, who has occupied his post for only a year, to stay on for the time being. He is regarded as being too much of a professional politician, which, to be sure, is what they yearned for when Westerholm was in office. Furthermore, his free-churchism is felt to be a burden. They would prefer to have a man who is a member of an established church head the party. In that way they could bring the bishops and the church's revivalist movements, which are viewed as constituting a decisive support for the party, closer to one another.

In this spirit the party's four former parliamentary representatives who did not get into Parliament have nominated Dean Risto Santala, "who is known among Christians as a faithful advocate of the Bible," to head the party. He is described as being esteemed and reliable both in the church and among free-church factions.

When Ulla Jarvilehto relinquishes her post, the third chairman's seat in the party chairmanship will become vacant. However, in their appeal the four former parliamentary representatives do not specify which post they want Santala to occupy. Probably the first, even if they are aiming at the third chairman's seat for the next start.

He Welcomed a PLO Man

During his party's trial elections Esko Almgren cited the Christians' preventing Yasser Arafat from visiting Finland as a noteworthy achievement. Indeed, his visit would probably have meant an election victory for the party.

In spite of this, at the end of last week Almgren was there wishing PLA National Council chairman Khaled Fahoumi welcome to Finland. For many SKL members the explanation that Almgren was only taking his turn at welcoming him at the airport as a member of the IPU's Finnish delegation does not lessen the inappropriateness of his behavior.

Problems with the Party Organ

The fact that the party organ, KRISTITYN VASTUU, has lost both chief editors also tells us something of the state of ferment the SKL is in.

Parliamentary secretary Paavo Ahonen, who had been the newspaper's second chief editor, completely resigned from his party duties and switched to work in the field of automatic data processing, which is compatible with his training. His defeat in the party secretary election, which Jouko Jaaskelainen who is particularly inexperienced in comparison with Ahonen won by one vote, brought his decision to resign to a head.

Almgren had supported Ahonen but, when he made his choice, he announced that anyone would suit him. That was enough for the voters, among them especially women and conservatives, to elect Jaaskelainen, who is regarded as a good-natured fellow, party secretary by a one-vote majority.

Bank reporter Eero Hirvonen was taking care of the chief editor's duties on the newspaper as a side job. He has now claimed his regular duties as his reason and resigned.

Is the SKL Shriveling Up into Itself?

Last year there was a slight feeling of decline in the SKL. The 1978 presidential election garnered protest votes for Westerholm, especially from the Conservative Party, which had backed Kekkonen. Then the 1979 communal elections were a disappointment because the expected avalanche of votes was never realized.

Optimists offered consolation, claiming that nothing like that would happen to the party this time. Only shifting voters have deserted it this time.

The communal elections to be held a year and a half from now will provide the next opportunity for us to be able to ascertain whether the SKL really intends to stay on the party map.

11,466
CSO: 3617/119

STALINIST-CP ORGAN ON NEW GOVERNMENT'S ECONOMIC PROGRAM

Helsinki TIEDONANTAJA in Finnish 6 May 83 p 2

[Editorial: "Turning Point?"]

[Text] Conclusions about the new government's course of action can only be made on the basis of its formulation and the program itself.

Many points in the program and information that has been made public with regard to the Finance Ministry's stiff cure plan indicate that the antiworker line in economic policy will be stepped up more than it has been. There is less emphasis in the program on employment than before, a "tight expenditure policy" is one of the main points of the program and the protection of capital gains is foremost.

When we say that a new turning point is taking place in economic policy, we have to, nevertheless, take into consideration the fact that, since as early as about 1977, a tight line has prevailed in government budget policy in matters involving areas other than armaments and business subsidies. The advancement of health care and day care for children has been slowed down and housing construction reduced.

In a relatively short time big capital has succeeded in effecting two changes in economic policy that are advantageous to it. In 1977-1978 the markka was devalued by a third, the so-called recovery relief measures were instituted and agreed-on wage hikes were deferred.

Together with major tax relief measures, the devaluation package decided on last fall was a new appropriation of big capital's in economic policy.

So, if a new turning point is now taking place, it is worth looking at how government policy between 1977 and 1982 has already tightened big capital's grip on economic policy. Some of those who implemented that policy would apparently prefer to forget it.

Nevertheless, the new situation in the domains of economic and domestic policy gives Communists reason to take more effective political action at their party congresses on the basis of policy that has been marked out. On the other hand, there is no point at all in underestimating opposition policy opportunities. Experience shows that a consistent opposition policy can defeat many of big capital's plans.

GREENS IN PARLIAMENT REITERATE REFUSAL TO ORGANIZE PARTY

Helsinki HELSINGIN SANOMAT in Finnish 8 May 83 p 7

[Text] Tampere (HS)--The alternative-offering Greens Movement does not intend to organize as a party. They unanimously agreed on this at the movement's first national conference in Tampere on Saturday.

Prepared for an attendance of a couple of hundred people, right from the start the organizers had to find more chairs since the strength of the alternative attracted 350 participants.

The idea of a joint conference had been abandoned as early as a year ago. It was announced as a grand opening because rumors were quick to mention the election victory as an incentive and the organizers' desire to influence people as a stimulus.

A small group from the surrounding area of Tampere assumed responsibility for the operation; even the rent for the meeting place was collected from participants in a shoebox.

People arrived at the meeting place on bicycles, on foot and only in moderate numbers by car. Plaid shirts and jeans gave a somewhat [word missing] impression of the youth of the participants. Half a dozen of them were obviously of day nursery age, but there were proportionately more evergreens.

In terms of numbers the sexes were equally represented, but in this group too the women's role was a silent one; the rare exceptions confirmed the fact.

"Education More Important Than Legislation"

What the conference organizers had in mind was to set in motion a discussion on getting organized. Terttu Laurila of Nokia has been promoting Green causes for a decade now. Doctor of Technology Eero Paloheimo, who opened the conference, also judged the Greens to be strong enough to unite.

It was, however, felt that there were too many alternatives to organizing to choose from at one session.

Evergreen Jorma Elovaara, wolf-like Pulliainen and Anneli Kivittie steamrollered the session with their motion to organize. If calling themselves a party was a dirty word for many of the participants, the word organization also had too suspicious a ring to it.

Their fear of organizing was retained, even though Paloheimo, who has studied sociology, explained what organization would entail. Scholars point to the fact that there are always organizations. They are either open or secret.

Greens Movement parliamentary representatives Kalle Konkola and Ville Komsi shied away from the idea of the organized use of power. "Two representatives will not change the world, but we can make the work of others more effective through discussion and negotiation."

Komsi in particular believes more in the power of education than in the enacting of laws: in his opinion, bad laws need not be obeyed.

To Jyvaskyla in October

Organizing was regarded as being tantamount to ceasing their activities, as the burial of a people's movement.

Broken up into eight committees, the conference organizers nevertheless felt that they had taken the first steps toward organizing themselves. An exchange of names and addresses was felt to be necessary so that a flow of information would be maintained.

The formation of some sort of regional action groups was viewed as desirable, although on returning from their deliberations every committee was averse to the idea of a centralized organization.

It was hoped that these groups would be operating by this fall, since Kalle Konkola asked those who are interested in a different kind of social policy to speak up in October. Otherwise, policy planning was deferred until the fall. Until then there will be plenty of time to contemplate what an alternative policy should consist of.

In the committees they already suspected that regional groups would not be enough: People are needed to take stands on employment, economic policy and foreign trade.

A united women's network was felt to be necessary, since most poor souls scarcely read NAKOPIIRI or the Greens' own Finnish publication.

11,466
CSO: 3617/119

PCF'S JEROME ON HIS ACTIVITIES, 20TH SOVIET CONGRESS, SOLIDARITY

Paris LE MATIN in French 21 Apr 83 pp 6, 7

[Interview with Jean Jerome, on the occasion of the publication of his memoirs, by Didier Buffin and Jean-Francois Kahn; date and place not specified]

[Text] Was there ever in the PCF leadership a man more secretive, more mysterious than Jean Jerome? Former Communist officials, among them Garaudy, Tillon, and Daix, have named him as the one who had supreme control over Party actions and was charged, at the head of the PCF, with passing on the Kremlin's orders.

Described as a cold and hard man, a fanatic of the underground, Michel Feintuch, a Polish Jew said to be a Komintern envoy, and a naturalized Frenchman under his Resistance name since 1947, for years allowed the wildest anecdotes or legends run rife about himself. But he always remained silent, refusing to appear in public. Did he, after all, really exist?

On the occasion of the appearance of the first volume of his memoirs "la Part des hommes, souvenirs d'un temoin" (Acropole), he received us. We met an affable man of 77, of lively intelligence, and possessed of that learning which is often the exclusive mark of the self-taught, who told spicy anecdotes with which his book abounds. He spoke of the Spanish civil war, of the Resistance, of Stalinism, of his role within the PCF, and of present Party policy, seeking to skirt the rocks and shoals along the course of his tale, as if wishing today to present another image of himself.

[Question] This is the first time you have consented to be photographed?

[Answer] Yes, but I think I shall disappoint many people. Some have described me as a Komintern agent: cold, gaunt, and with a monocle; others, as a little man with a hooked nose (he laughed as if he had just played a good trick).

Question Was all that untrue, then?

Answer To invent facts is no longer even to practice truthful lying, as Aragon said, but to tell real lies. All that amused me. At times I was disheartened, but it was so contradictory that I let them go on.

Question Who, then, are you really?

Answer Semprun described me as a lover of rare books. But is not intellectuality also based on the number of languages one speaks? I myself have spoken six and forgotten three: modern Hebrew, Chaldean and Armenian as taught at the Talmudic school, for my father wanted me to be a rabbi. Today I speak Yiddish, Polish, and German, and understand English and Russian well. I learned Hungarian at a rabbinic school in 1914-1918, and have forgotten it.

Question Garaudy described you as charged with watching over the Party's funds and personnel on behalf of the Kremlin?

Answer I had to do with Garaudy when he worked in publishing. We saw each other often. We worked together on publication of Lenin's complete works. Our relations were rather friendly, and when he left the Party I did not take sides for or against him.

Question What he said, then, was pure meanness?

Answer The meanness was due to disillusionment. He had many ambitions. He dreamed, for example, of a great encyclopedia in 20 volumes, and in order to work on it, he had asked to be allowed a car, with a secretary to take notes during his travels. It was refused.

Question Garaudy was not alone in pointing to you as the Komintern's man: there was also Tillon, and Daix....?

Answer Those who were Party insiders could not say so. All that is a joke.

Question Then why did they all say so?

Answer There is always need for a victim, a whipping boy, and I was an ideal one. Just think--a Jew, a naturalized citizen, a man who abhorred publicity! Why did Daix, for example, choose me as a whipping boy? I'll tell you: I got along very well with Aragon, and we saw each other often. When I happened to find Daix with him, Aragon would then say to him: "Little friend, leave us for a while--we'll get together later." And Daix did not appreciate that.

Question Then you never managed Party finances?

Answer Never, never! Gosnat was Party treasurer, and he laughed when he read what was being written about me. What is true is that during the war I held some of the Party's funds.

Question Where did the money come from?

Answer It's simple. In 1942 we entered into an agreement with General de Gaulle through the mediation of Colonel Remy--a man for whom I still have feelings of esteem and gratitude for his conduct at that time, even though I deplore his present action in favor of Marshal Petain's rehabilitation. Remy, then, deposited with me a little money from London, and it was my task to manage it.

Question You did not continue after that?

Answer No, not at all. My role was confined to publishing. That has always fascinated me. At 14, also in Paris, I organized a lending library, with my pals from the factory. It should not be hidden--I had disillusionments.

During the war I had to do with underground publications. That came about in this way: on 16 August 1941 the Party secretary at the Treant organization, who was called "Fatty," and who belched, sweated, and farted--a tremendous man--said to me: "You will organize underground publications." After the war, I continued. That is my personal passion. I have created more than 40 publishing houses--Editions sociales, le Cercle d'art, editions du Chant du monde. I then worked with Renaud de Jouvenel, a very decent man, but one of somewhat unbalanced temperament.

Question Were you called on to play a political role in publishing, in the choice of books or their content?

Answer On the ideological level there were people who were responsible--Casanova, Garaudy....

Question How can it be explained that a man like you, who states he never played a first rank role, was entrusted with such a strategic sector as publishing? That can only feed rumors as to your Komintern connections.

Answer But I was never in the Komintern. I came to France in 1929 because I had been expelled from Belgium. I first worked without a permit. I find it difficult to imagine the Communist International sending someone out as a factory hand.

Question And yet you had an important role among the miners in the North?

Answer Yes, later on, as a member of the CGTU expansion unknown executive committee, because there are many Poles among the miners. I belonged to the Party's section on foreign labor. It should be known that the major criterion for choosing militants at the time was their voice. There was no loud-speaker for addresses at the factories. Timbaud, for example, could talk like that before 5,000 people, and he was heard. It was not the Komintern that chose those men.

Question You knew Clement* well?

Answer Not really; I saw him only twice in my life.

Question Who killed him?

Answer He was assassinated by the fascists.

Question You are sure?

Answer It is absolutely certain.

Question To come back to yourself, we still do not understand how they could have entrusted to you a sector as important as that of the Party's publications?

Answer You know, I had already proven myself as a manager during the Spanish war.

Question In what way?

Answer I had already gone to see Treant to ask him if I might enlist in the international brigades, but he asked me to stay in France to organize solidarity with Republican combatants. So I attended to the purchase of food supplies. I also had the idea of starting a cartridge factory at Valence. When you think that women were getting themselves killed in order to collect spent cartridges!

In France, during World War II, I continued in armaments. Weapons were needed for the resistance. So I had an idea. I planted two fellows in Dijon, because in that city there were many military units, and so there were brothels. When the German soldiers were with the prostitutes my men would go up and steal their weapons. I cannot say that the revolver with which Fabien killed a Nazi officer in the metro on 21 August 1941 did not come from the Dijon brothels.

Thanks to an engineer, we also perfected delayed action incendiary bombs which we placed on trains leaving for Germany. So it was that several German railroad men were executed for sabotage. I have their names....

Question You were very close to Duclos?

Answer I met him during the Spanish war, in an airplane between Toulouse and Valence. I remember we had a head wind, and Genevieve Tabouis, who was aboard, was not feeling very well. Duclos took a piece of candy from his pocket and asked me to go and give it to her.

Question How did it happen that you did not climb the Party rungs at his side, that you did not at least get on the central committee?

*Komintern delegate in Europe.

Answer Until 1947 I was an alien. At that time French nationality could be revoked for 10 years. For a long time I lived as a hunted man.

Question Jacques Denis, a Polish Jew, did in fact become a central committee member?

Answer He was naturalized before me. Then too, my nature did not lead me to force myself to too definite a task.

Question It has been said that you had an office at Party headquarters; that you attended central committee meetings, and sometimes those of the political bureau?

Answer All that is a joke. I did on occasion attend central committee meetings, when they concerned publications, but I did not take the floor. As for political bureau meetings, I never set foot there.

Question You never had political influence?

Answer Never, except during the war.

Question You had no privileged connections with the USSR?

Answer I went there for the first time in 1964.

Question Still, it was a model for you?

Answer Not really. I spent my childhood 40 km from the Soviet border, but the great leader, to us Jews, was Trotsky and his permanent revolution.

Question How did you experience the great Stalinist purges of 1937?

Answer I honestly thought it was a matter of traitors, and later I had regrets.

Question How did you react to the revelations of the 20th CPSU congress and to Khrushchev's report?

Answer I knew the report was true....

Question The PCF said the opposite in 1956?

Answer Yes, but I'll tell you an anecdote. As has been said, I was very close to Duclos. He was assigned to report on the 20th congress at the salle Wagram. We know what an orator he was, and yet the hall remained very cool during his address. He talked and talked, evoking the misdeeds of the cult of personality, but the hall was still cool. Sensing that, he exclaimed: "Never shall we forget what Stalin did to bring down fascism!" Then came applause, and shouts. The next day, Jacques called me and said: "You saw

what happened yesterday?" He then explained to me that things cannot be rushed in the Party. I shall give another example which illustrates that prudence. In 1942 it was learned that in concentration camps the Nazis cut up the skins of Jews to make lampshades, and made soap from their corpses. I said to Jacques: "Let's put that in l'HUMANITE." He answered: "No, not yet. It will not seem credible."

Question You had read Khrushchev's report?

Answer Yes, a few weeks after the salle Wagram meeting I went to Poland.

Question For what purpose?

Answer I was accompanying a Party delegation, and wanted to take advantage of the occasion to sell books. The Polish comrades showed us the Khrushchev report. Gosnat had tears in his eyes. Personally, I was disgusted by the stories of Stalin's following the operations of World War II. It was exaggerated. But the rest stunned me.

Question How do you view the Solidarity union in Poland?

Answer Solidarity includes believers and Poles imbued with democratic ideas. Those are fine people. There are also declared counter-revolutionaries. Those are the KOR expansion unknown. But I don't think Walesa is.

Question What is your position on Israel?

Answer I was against creation of an Israeli state. A state should not be created set up on the backs of a people, as in this case the Arabs. Today, I do not question its existence, but I favor integration of Jews in their country. I am against dual status. I myself am an atheist.

Question How can a man who has lived through the Stalinist era of the PCF adapt to a Communist presence in the government?

Answer There came a time when we realized the Communists could do nothing by themselves; that they had to take account of the social situation in the country, and make alliances. Each country moves toward socialism along its own path, Lenin explained.

Question Are you not, however, disappointed by the Socialist government?

Answer I am not disappointed, because I am a realist. It has been half a century since I believed in miracles. The government faces a double difficulty: the capitalists do everything to thwart its policy, and many workers hoped for something else. Frankly, I do not envy Mauroy.

Question Were there other solutions?

Answer The Communists still think there were other solutions: today they consider there are other ways to pay the bill for reforms--for retirement at 60 and for the fifth week of paid vacations. The Communists want to make the rich pay a bit more, while the Socialists perhaps want to go more slowly. It is an old debate. The great good fortune for democracy is to have this battle of ideas, in which the Communists have their place.

Question You have read Jeannette Thorez-Vermeersch's critiques of the "opportunism" of PCF leaders. Does it not seem as if many members are not far from making the same judgment?

Answer I knew Jeannette when she was a militant in the North--dressed any old way, her hair awry, her stockings falling about her shoes, from so much rushing from meeting to meeting and factory to factory. She is a real Bolshevik. She lived in Maurice's shadow, and she then took herself a bit too seriously, but I have doubts as to her cultivation. She lives in an old-fashioned way, and has not changed.

Question Perhaps, but her theses have a certain echo in the Party?

Answer Over-simplification is not confined to her. When a worker comes home tired at night, takes off his shoes, puts on his slippers, and settles down to watch television, he either accepts what is being explained to him, or else he does as Jeannette does, and dreams of barricades (Jerome crooked his index finger as if pulling the trigger of a weapon).

Question You approve the expulsion of the Soviet diplomats? Do you think they were spies?

Answer I have no idea. They are such idiots they could have let themselves be hoodwinked by the DST Territorial Security Directorate. Do you think there were so many spies? The expulsion was a shabby politicians' act and a blunder. The quid pro quo of the Franco-Soviet gas agreement was about to be felt in France. Since the expulsion, a portion of the orders intended for us have gone to Germany. That is not pleasing.



Manuel Joachim

6145
CSO: 3519/488

MITTERRAND'S PURPOSE, PCF, CERES AIM FOR NEW GOVERNMENT

Paris LE FIGARO MAGAZINE in French 26 Mar 83 pp 72-73

[Article by Alain Berger: "Is There a President of the Republic in the Auditorium?"]

[Text] On Wednesday night at 8:00 pm, sitting in front of our little screen, we were waiting for the president of the Republic. He did not appear. In his stead, we discovered a nineteenth century prophet, lost in the twentieth century who, like Baudelaire, was conjuring up "these clouds, these marvelous clouds."

A thousand leagues above our land, the prophet did not see what was going on there. Successively, he appealed to universal awareness, to life, and to generosity. Among other things. A voyage through imaginary constellations. We really felt like telling him: "this is not the way." But our prophet insisted.

He exhorted us not to travel outside our borders and to be satisfied with the products of our land. With dread he described the way and the wretchedness of the world. He gave us a lesson in good conscience: "I am your leader," he reminded us in conclusion. "I want to take full responsibility. It is up to me to show you the way." But clearly our prophet has no sense of direction.

A few days after the election of Francois Mitterrand, one of those close to him, who has known him for 40 years, said to me: "Mitterrand has always been obsessed with the unity of the socialist party. In political action, for him that is the foremost priority." Before the unity of the country?

Undoubtedly, this obsession explains the president of the republic's hesitations and indecision since the second round in the municipal elections. And also his final off the cuff if not freakish decision; a reshuffling which changed nothing or virtually nothing. Pierre Mauroy was reappointed to his position and all the important ministers kept their portfolios. There were some changes certainly, like that of Michel Rocard who has become minister of Agriculture (no doubt the president wants to get the farmers against him), that of Laurent Fabius who has been entrusted with Industry and Research, or that of Edith Cresson who has inherited the difficult portfolio of Foreign Trade (with tourism above all) without any particular qualifications, which makes the Americans

and Japanese smile. As for the communists, who numbered four in the preceding government, there are only two of them now. But this trimmed down government is half as numerous as its predecessor; by arithmetical logic, the communists have retained the same representation in the government. On Tuesday night, in his office, Georges Marchais and Charles Fiterman had pressured Pierre Mauroy for over an hour.

The only real surprise is the disappearance of Jean-Pierre Chevenement. But it was learned on the day of the reshuffle that he had handed in his resignation effective February 2, following disagreements on the methods and conception of governmental action.

Why then these two weeks of suspense, cleverly organized, only in fact to do nothing? Jacques Delors was given a great deal of attention, in Brussels as well as in Paris, for several days. The devaluation of the franc was presented as a veritable victory by the minister of the Economy and Finance, as if he had made the Germans "yield" and had saved Europe. Did not Delors himself say when he arrived in Brussels: "I am the most European of French Ministers?"

In fact, Jacques Delors has simply had his duties extended; he will be in charge of the budget in addition to his present responsibilities. But it is no secret; he expected more. He expected the Hotel Matignon.

From the point of view of economics, the choice was an easy one for the president of the Republic; Jacques Delors is undoubtedly the only socialist minister who can ensure the acceptance of a policy of increased austerity. But Francois Mitterrand no longer runs the show; his hands are tied. This is a major departure for the institutions of the Fifth Republic; the regime is no longer a combination of presidentialism and parliamentarianism. It has become a party regime; the head of the executive branch makes his decisions as a result of the pressure exerted by the majority parties and the trade unions. For it was a majority of the socialist party, the communist party, and the CGT [General Confederation of Labor] that imposed a third Mauroy government. The president had to choose Pierre Mauroy to avoid the disintegration of the socialist party, to maintain the alliance between the socialists and the communists, and to appease the CGT.

Avoid the disintegration of the socialist party first of all. In a party more divided than ever, Pierre Mauroy today is the lowest common denominator; as an "historical socialist," he was Francois Mitterrand's ally before becoming Michel Rocard's ally at the Metz congress in 1979, and before his appointment as prime minister in May 1981. He has solid ties with CERES [Center for Studies, Research and Education] of which many members come from the SFIO [French Section of the Workers International]. Lots of friends, few enemies.

The Date of the Congress

The same cannot be said of Jacques Delors. Disparaged by the CERES "nationalist-Leninists," who fault him for having been advisor to Jacques Chaban-Delmas, a convinced European, and for standing for a free trade economic policy. He is

also vigorously criticized by the big shots, frequently laymen, who cannot forgive him for his fervent catholicism and his ties with the CFDT [French Democratic Confederation of Labor]. Finally, Michel Rocard sees in him a possible rival for the future. No doubts then for Francois Mitterrand; in the party, Pierre Mauroy carries a lot more weight than Jacques Delors.

The appointment of Pierre Mauroy was the more inevitable since the socialist party congress is drawing near and since certain settlements of accounts are already being prepared. Did not Pierre Beregovoy confide, shortly before the municipal elections: "Today, the problem is not the municipal elections, but the preparation of the future party congress." And a high official told us recently: "He'll be lucky. For the first time since 10 May 1981, Francois Mitterrand can no longer do as he pleases."

Even the first secretary of the socialist party, Lionel Jospin, said to be one of the closest men to the president, is very critical today: "We would have done better than score a tie in the municipal elections if we had steered further to the left." A statement which blocked the way to the Hotel Matignon for Jacques Delors.

Moreover, Lionel Jospin goes even further. He considers the government's actions over the last few months responsible for his personal failure in Paris. And he has already warned the president of the Republic that at the next congress the socialist party will accuse him of responsibility for the failure of national policy, if between now and then he does not swing more to the left. "To be accused by one's own people before the activists without being able to defend oneself is a serious matter," a socialist party official commented on Wednesday.

If Francois Mitterrand must avoid the disintegration of his own party at all costs, neither can he do without the communists. Certainly since 10 May the latter have seen their electorate dwindle; now it represents no more than 10-15 percent of the votes. But over the last 22 months the communist ministers, particularly Charles Fiterman in the department of Transport, Jack Ralite in the department of Health, and Anicet Le Pors in the department of Public Offices have deeply infiltrated their administrations; what the communist party lost at the polls, it has gained in position. For the officials of the Place du Colonel-Fabien, that is the main thing; they know that from now on they have available significant ways of applying pressure, at all levels of the state, which enable them to "hold" Francois Mitterrand. And the communists wanted to see Pierre Mauroy stay at Matignon. A member of the political office said last week: "Mauroy is the man we need."

A Clever Strategy

A Machiavellian calculation. For Pierre Mauroy is Europe, plus austerity. And the communists want neither the one nor the other. Then what? A close associate of the president explained the communist strategy to us: "These people are very clever. By supporting Pierre Mauroy for several days and by condemning a policy of austerity, they expect the imminent failure of the government, which

would entail the rupture of Franco-German solidarity. France would leave the European Community, which would seriously threaten the composition of Europe. Do not forget that the French communists are much closer to the Russians than you imagine. That is why they supported the mayor of Lille.

This calculation is also that of Jean-Pierre Chevenement and his friends. Anti-European, the members of CERES also support Pierre Mauroy, hoping, like the communists, for its downfall. Then, with the help of the communists they could establish a sort of national-Leninism in France which would adopt a neo-protectionist economic and perhaps political approach, leaving France isolated from the rest of Western Europe.

The men who could put this policy into practice are already prepared. First there is Jean-Pierre Chevenement himself, who for the present will devote himself to his mayoralty in Belfort. Then there is Jean-Jacques Servan-Schreiber who is said to favor this protectionist policy, behind the shelter of customs barriers. There are also, no doubt, Pierre Beregovoy and Laurent Fabius.

But above all there are two close associates of the president of the Republic: Georges Plescoff, who has just stepped down as the director of the Bank of Suez. And above all Jean Riboud, head of Schlumberger, who could be the prime minister responsible for carrying out this new socialist economic policy. Did not a minister dismissed from his duties say on Wednesday: "This new government is a trap."

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CSO: 3519/444

COMMENTARY ON JEROME INTERVIEW, ROLE IN POPEREN EXPULSION

Paris LIBERATION in French 25 Apr 83 p 9

[Article by Eric Dupin]

[Text] Jean Jerome, that secretive and mysterious figure of French Communism, is emerging from the shadows. The man presented by several former PCF leaders, and by certain well known observers like Philippe Robrieux, as a key man in the Party's underground until the 1970's, is quietly publishing his memoirs. At 77, having reached the limit of youth according to Herge, Jean Jerome is even forsaking his bias against the noncommunist press.

In an interview published by LE MATIN Michel Feintuch--Jerome's real name--applied himself to demolishing his reputation. Was he a figure of the Communist international? "All that is a joke;" was he the big boss of the Party's secret funds? "Never, never;" was he an expert in settlement of delicate internal questions? "My role was limited to publishing."

Jean Jerome is really too modest. That humility is quite remarkable in someone who played an important role in military aid to Spanish Communists during the civil war, who admits to having held "a portion of Party funds" during World War II, and who acknowledges a **trusting relationship with** Jacques Duclos. His life is indeed a novel, but we should not count on him to write it.

We contribute one anecdote to the case file which shows that this Communist was not wholly absorbed by his little publishing tasks. The historian Philippe Robrieux has kept a sharp recollection of a meeting, long ago, with our hero. It was in late 1957 or early 1958: Robrieux the militant Communist omitted from his diary the most secret episodes.

In those days Jean Poperen, now number two man in the PS, was a Communist sinking into dissidence. National secretary of the Communist students' organization at 22, comrade Poperen had spent two years in Bucharest for the Kominform. In 1956 he began to be sucked in to the spiral of heresy. So, one fine day in 1957-58 Jean Poperen organized a splinter group meeting of Party members in the 14th ward behind Montparnasse cemetery. The brazen

comrade had already been demoted to the ranks for his dissent from the Party line, and the leadership was seeking to exclude him.

Prudently, Poperen had sent an invitation card to each Communist invited to the secret meeting. Craftily, the Party leadership had obtained one of those precious cards. Philippe Robrieux was then a trustworthy leader of Communist students. He tells the story: "Together with another comrade, Jean Depaquit, who today leads the PSU, I was called to Jean Jerome's office at Party headquarters. He had an invitation to Poperen's meeting. The problem was to prove that the latter was organizing a splinter meeting. Jean Jerome asked us to designate a reliable student to be infiltrated into that meeting." The two young Communists complied. It would have been a delicate matter to "ask for an explanation." The spy did his work, and comrades Robrieux and Depaquit kept watch the evening of the famed meeting. "It was raining; lying behind a gateway, we had the mission of taking the numbers of the cars that stopped." Poperen was expelled a few days later.

Jean Jerome made a great impression on young Robrieux, though not because of his standing: "He had a shabby office under the eaves, and he was not carefully dressed." But "that fellow talked like someone who knows a lot--parenthetically, as do the Party leaders. He had an east European accent, and wore a kind of pince-nez with which he put on a whole show. And above all, his piercing eyes seemed to plumb the depths of those with whom he talked. It was rather chilling, and as I left I felt a bit unnerved. For he knew everything. He told us the opposition newsletter UNIR was printed by the prefecture of police through the intervention of Guy Mollet." What then of Jean Jerome the modest militant and publisher? Robrieux laughs: "It's high comedy--he's quite good, and has talent."

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CSO: 3519/488

COMMENTATOR ANALYZES PVDA PARTY CONGRESS

Amsterdam ELSEVIERS MAGAZINE in Dutch 30 Apr 83 pp 26-31

[Article by Rene de Bok: "The PvdA (Labor Party) Congress: 'New Spring, Old Song'"]

[Text] The 19th PvdA Party Congress this past week presented a picture of dull resignation. Whereas former Congresses breathed the air of revolution, the participants at this year's Congress obeyed the Party Central Committee like a herd of meek sheep.

During the latest PvdA Party Congress, major and minor strategists of socialist ideology made a valiant attempt to rescue the party from the languorous hangover from the heady 1970s. The "isms" waged a grim battle, and the concept of work was elevated to the main issue of the debate. The idea of allowing a central theme to dominate the proceedings of a congress is of English origin. The Labour Party in England has been doing this for years, not always with great success.

Work was the watchword at the 19th PvdA Party Congress. This was an essentially apt choice of themes. There is no topic that so stirs the sentiments of the Labor Party like that of work. The iron slogans referring to work are showing rust spots. The devaluation of the concept has a long history. As early as 20 years ago, the term worker was banished as a curse or relegated to the expression "foreign worker." From then on, workers belonging to the PvdA Party were called "employees." Other relics stayed around longer: the term work ethic seemed destined for eternity. Even the "employee" members of the PvdA would live out their days in the sweat of their brows.

During the past few years, there have been signs that the seemingly unassailable concept of the work ethic is doomed to lose some of its credibility. Several efforts were launched during this Congress to remove "work" as the centerpiece of existence.

But after sober thinking regained control, it turned out that the work ethic had suffered less than suspected. "It is the democratic socialist view that every able person ought to perform some work." This resolution emerged unscathed from the gunsmoke of the debate, and the PvdA Congress went on to reject the principle of "minimum income for everyone." The PvdA remains

committed to the premise that there is a relationship between work and income. The Central Committee holds that the principle of the right to paid work would suffer if the "minimum income" idea were adopted in the platform.

For a moment the proponents of minimum income entertained the illusion that their resolution could be maneuvered through the Congress, even though barely. They loudly proclaimed the right to refuse work: "We must rid ourselves of the obligation to sell ourselves into wage slavery, and we are asking for nothing new, nothing at all revolutionary. Even now, people who don't want to work get unemployment benefits from the government."

For Second Chamber member Stan Poppe the "minimum income for everybody" was an unsound leveling instrument. Such an income would not be right, for it would offer people an escape into social isolation. The one step in the direction of the minimum income idea was the formulation: "Every person who wishes to perform paid work according to his abilities has a right to an income sufficient for his support." The Central Committee regarded this addition as superfluous because this right is already anchored in the social security system.

The 19th Party Congress indeed demonstrated that historic values--even those from the relatively recent past--are subject to change. Income leveling was once the major weapon of the Social Democrats. At the beginning of the Den Uyl Cabinet, the distribution of knowledge, power and income was the focus of the political struggle. Ten years later, the accent has shifted to self-preservation in a time of crisis. The stress is no longer on income leveling but on the distribution of work. "Turning Point '73," which provided for a just distribution of acquired wealth, has given way to "Turning Point '83," where the just distribution of poverty is the overriding consideration.

It was in that context that the reduction in workhours was introduced as a method of fighting unemployment. The 25-hour workweek that the Party Congress had in mind is based not on wealth, but on poverty, at a time when the nice things in life have disappeared down the drain of the socioeconomic depression.

Naturally, the methods by which the PdvA intends to bring about recovery remain undeniably socialistic. The free market and the free-enterprise production system are still no less the bad guys, for even in bad times the state is still the agent in charge of working miracles. So it was not unexpectedly that the Party Congress was unanimous in the opinion that the government should strongly back the introduction of the 25-hour workweek. It is precisely the state that would have to stimulate the transformation of reduced worktime into jobs.

The bedrock faith in the omnipotence of government intervention is a familiar idea in socialist thinking, but the weariness of the Congress was something new. In years past, the Congress had always shown itself to be an unruly political phenomenon. Whereas the political leadership, whether in the government or in opposition, routinely fell into the cautious maneuvering demanded by the narrow margins of politics, the Party Congress would cast dark shadows and mince no words. Den Uyl and his colleagues who moved and worked in the political arena always regarded the Congress as an approaching thunderhead.

The attitude of the Congress was often unpredictable. The impression that people carried away was that of the great chaos that results when the amateur politicians from the districts once a year shed their limited lights on national and international politics. The Congress used to be irresponsible, short-sighted and offensive and issued oracle-like pronouncements that spared no one. Who can forget the exasperated look on the face of former Defense Minister Henk Vredeling when his policy on F-16 purchases came under the fire of the Party Congress. The Congress frustrated him into letting slip the peevish remark: "Congresses don't buy airplanes."

But the fact remained that in those hectic days the notion took root that the Congress was sacred and the politician in the field was vulnerable.

Those days are gone, it seems. Although the Congress members resisted on minor points during the proceedings on the work-theme resolutions, one came away after 3 days with the conviction that the PvdA Congress is no longer the reckless, social-reforming institution that it was in the 1960s and 1970s. The Congress bears a greater resemblance to a herd of meek sheep than to an assembly of revolutionaries who are conspiring to overthrow class society once and for all.

Most of the members of the Congress were yea-sayers. On the faces of the old guard of "workers"--still represented at the Congress, though sparingly--one could read the vexation. One delegation leader who had personally experienced the 1930s expressed his pain: "There is no longer any spirit in this club. It's more a matter of taking shelter from the rain than of going at it shoulder to shoulder. It looks a lot like the Congress has thrown in the towel, like people realize there's nothing to be done anymore about the breakup of our solidarity. It seems that so many economies will be made in the next few years that there's nothing left over for the idealists wanting to reform society."

Until recently, there was a noticeable correlation between one's level of responsibility and one's radicalism. The attitude of the Congress used to be thoroughly and extremely radical; this was less true of the Party Council, and even less of the Central Committee, whereas the Party members of the Second Chamber could be described as the most conservative portion of the PvdA. The Congress no longer seems to be the most radical PvdA institution. At any rate, it is unable to transform its social principles into political action. The Central Committee managed rather easily to have its way with the 19th Party Congress, with the exception of a single concession.

The voting on the Work Resolutions betrayed to the observer the Central Committee's leading role, just as did the assembly's pronouncements on topical questions. Under the influence of the Central Committee, the Congress did not resolve to recognize the PLO. The Congress scored a point with a resolution expressing indignation at the continuation of the French nuclear weapons program. The final resolutions were not far-reaching. Their radical effect contrasted sharply with earlier initiatives of the Congress, for example, those calling for the Netherlands to quit NATO.

The question of the extent to which Party leader Den Uyl would be able to inspire the PvdA dominated the Congress again. The question of his vitality, his resilience, his charisma is a topic that each year stirs the depths of young and old, left and right, neo-idealistic and neo-realistic alike. How much longer will Den Uyl be able to play his patriarchal role in the Party? In his own Party, he is an institution, exulted as a living monument. Den Uyl recognized the changed atmosphere of the Party Congress. His closing address to the Congress was aimed at the critics of the PvdA. The Labor Party never does anything right, said Den Uyl.

When they're not calling each other names, something is wrong; when the members of the Party Congress are at each other's throats, that's no good either, said Den Uyl, attributing the criticism in part to jealousy among outsiders: "If the PvdA stands to win, something certainly has to be wrong... that's what our enemies think, and some of our friends too." While the Congress presented a picture of dull resignation, Den Uyl tried to revive the polarization of the 1960s. He scolded the Cabinet for its inability to fight the "social curse of unemployment." He drew the picture of an iron ring holding society captive, a ring suffocating the goals of the welfare state and the humanization of social life. Den Uyl criticized the recipes from the kitchen of the free-market economy: "Free economic forces were unable to guarantee employment for all." He called for a new economic order in which the state would guarantee the quality of life: "The world yearns not for the free-market process, but for planned economic development. The world yearns not for hedonism, but for socialism."

It is Den Uyl's view that this period of crisis calls for bringing political power to bear on the material essentials of life: "How do we make both ends meet? How do we make the budget book balance? We face pocketbook issues." These questions, he said, occur in the context of the overall problem: the "ugly fact that two-thirds of the world's inhabitants do not have the most basic necessities of life."

Due to his commitment to total solutions, Den Uyl declared himself "a sworn opponent of the green environmental parties, in harmony with his political friends in West Germany, Helmut Schmidt and Willy Brandt. "Socialism," Den Uyl explained, "will be international if it exists at all." But that did not deter him from dishing out some ringing criticism on national matters. The two parties in power were obliging targets, naturally, and Den Uyl predictably took them to task for completely dismantling the employment plan that he himself had designed.

Most of Den Uyl's arrows were aimed at the foreign policy of Christian Democrats and Liberals. The Liberal policy on South Africa, "where the situation grows worse by the day and where the policy of apartheid is being continued without mercy," found no favor in the eyes of the PvdA leader. The South Africa Memorandum, which underscores the unfeasibility of a boycott policy against Botha's country, was rejected by Den Uyl as an unacceptable document. He also scolded the CDA [Christian Democratic Appeal], warning that party that the PvdA would hound it not only on the subject of its South African stand, but on the issue of nuclear weapons as well. "We won't let the CDA get away. Just where does the CDA stand? We want an answer to that."

The recent statements of Premier Lubbers and Foreign Minister Van den Broek concerning American policy in Central America likewise cause problems for the PvdA. "And that has nothing to do with feelings of anti-Americanism," said Den Uyl.

Den Uyl won over the Congress completely, just as he has been doing for many years now. The routine he goes through after delivering his speech has become a PvdA tradition: the bouquet of roses that he tosses to his wife, the cheers that he recognizes with raised hands, the singing of the "International," whose words he never recalls exactly. Joop den Uyl's leadership of the PvdA remains intact, in spite of Jan Schaefer's challenge to it. But it is becoming evident that he too is aware of being a prisoner within the iron confines of traditional dogma.

He joked about the complaining old district leader: "Once they were hearing talk at the PvdA about the Iron Curtain, and now Den Uyl is talking about the Iron Ring....When are we going to start hearing about the Iron Curtain Ring?"

The 19th PvdA Congress has rendered its verdict on the subject of work, on the Middle East, on Mitterrand's France. The solutions advocated by the PvdA are still rooted in a Keynesian-based government policy that was in vogue a half-century ago. In that sense, the latest PvdA Congress was nothing more than a variation of the famous line from Gorter's "May": "A new spring, an old song." It is a song that awakens memories of the socialist panaceas of the 1930s.

9992

CSO: 3614/102

POSSIBILITY OF MINORITY GOVERNMENT CONSIDERED

Lisbon O JORNAL in Portuguese 6 -12 May 83 p 2

[Article by Caceres Monteiro: "Soares' 'Family' Meetings"]

[Excerpts] Although in recent days Mario Soares has given priority to meetings within his own party, he has already had some informal contacts with an idea to a PS-PSD [Socialist Party and Social Democratic Party] accord. Those contacts were made easier because of the favorable climate in a recent meeting between Soares and Mota Pinto, which took place at the home of Proenca de Carvalho.

Green Light from Belem for Minority Government?

An important political development was the revelation by Mario Soares at the beginning of the week that the PS would agree to form a minority government for early general elections (in the event that serious resistance is encountered from the PSD) and would try to win an absolute majority in new elections.

Mario Soares himself confided this possibility to us in early May (in Madrid), but the Socialist leader later made his decision public.

What he did not divulge, however, is whether or not Eanes had given the "green light" for this plan. If we are to believe sources close to Belem, the president may have agreed to this possibility in a conversation with Soares, a conversation that went in a way that left the secretary general quite content.

Relations between Belem and Rua da Emenda are currently very good. Soares liked the communique from the president of the republic released last weekend. Incidentally, we learned that Caldeira Guimaraes, acting chief of the Civilian Household, forwarded this communique to Mario Soares for his attention some hours earlier.

Eanes' objections to convening the Council of State, as requested by Mario Soares, are not causing any problems. On the other hand, observers at Rua da Emenda are troubled by two facts:

1. The JORNAL DE NOTICIAS interview with Eanes, in which he stated that he did not intend to commit himself to the next government.

The PS would like Eanes to play a role, particularly in contacts with the social partners (labor leaders and management). In this regard, a staff member at Rua da Emenda asked if Eanes did not intend to maintain contacts of the type he had at the beginning of February.

2. Soares' staff is also "piqued" by some reports that appeared simultaneously in some of the most important foreign magazines, including THE ECONOMIST, referring to the possibility of the formation of a presidential party if the PS-PSD coalition does not pan out.

COMMANDER OF DEFENSE STAFF STRATEGIC SECTION ON THREAT

Stockholm DAGENS NYHETER in Swedish 18 May 83 p 16

[Article by Hans-Axel Holm: "Weapons Do Not Decide a War"]

[Text] A defense strategist's defense. At the Defense Staff they have recently had busy days. But DAGENS NYHETER made a short visit and asked many questions. The Defense Department was defended by the commander of the Strategic Section, Jan-Olov Gezelius, and his defensive weapons are maps which describe the threat against Sweden. Must weapons be met with weapons? What thinking causes the defense to appear as it does? Whose thoughts are they? What are we afraid of, besides the bomb, when we give the defense its billions? Is there no other way to peace than to be armed from head to toe?

The Defense Staff is located on Lidingovagen, in a large new building called The Bastion, and one of the people who works there is Lieutenant Colonel Jan-Olov Gezelius. He is chief of a section which works with strategic studies. There they try to figure out what a future war is going to be like and how Sweden will be able to defend itself.

On his desk there is a collection of maps and a model of an aircraft, the Viggen. On the maps the threats which surround us are marked. The top map shows Sweden's location in Europe, and Jan-Olov Gezelius points out that half of the front between the East and West blocs consists of neutral Sweden. Below us, only 10 or 20 [Swedish] miles from Skane stand the world's strongest powers, facing each other in fixed positions.

"Our strategic position is right in the center," he said.

Lesson on the Threat

He brought out the next map which showed how the superpowers have their weapons and forces placed here around this northern half of the front, the Nordic countries, and he gives us a quick lesson on the threat, to begin with.

In the northwestern corner of the Soviet Union, near Murmansk, the Soviets have built their largest naval bases.

In the Baltic they are still building new bases. They also have maneuvers there, which we can see from our radar stations on Gotland.

The Soviets are locked in behind the Baltic, the Black Sea and the Arctic Ocean ice. In the north a chain of NATO radar stations follows their activities. NATO also has a number of airfields in North Europe, and their aircraft can attack Soviet ships if the ships leave their base areas, says Jan-Olov Gezelius.

"And looking at the world from the viewpoint of the Soviets, we see that as the crow flies, Sweden lies between the most important part of the USSR and the northern United States. If the United States should shoot its cruise missiles over the North Sea, they could pass over us.

"We must maintain our neutrality. It is therefore important that we demonstrate our willingness and ability to take action against all types of violations from wherever they come, west or east."

From Two Directions

But what interest do the two superpowers have in taking Sweden?

"NATO, the western powers, would like to have all the air bases in Sweden. From here they could more easily reach the Soviet Union and Central Europe. They would also be interested in coming into the Swedish Baltic ports, from where they could more easily prevent the Soviets from reaching the Atlantic."

It is therefore an advantage for the Soviets that Sweden does not belong to NATO.

If NATO should attack Sweden the Soviets would certainly intervene. Then the battlefield would be in the middle of Sweden.

On the other hand the Soviets themselves are interested reaching both the southern tip of Norway and Denmark--in order more easily to come out into the Atlantic with their ships and attack the seaborne traffic from the United States to Europe.

In order to reach Norway and Denmark they must pass through Sweden.

Therefore it is an advantage for the United States that Sweden is neutral and has strong defenses.

"This is the basic threat picture," summarized Jan-Olov Gezelius. Our defenses are planned starting with these facts."

Many Questions

It was a quick and factual presentation, surely given many times previously, and Gezelius implies that he is often out among the public speaking on defense issues.

We interrupted him with many questions.

The questions which we asked received rapid and very complete answers, illustrated with pictures which lay close at hand.

Can these cruise missiles be shot down?

Jan-Olov Gezelius brings out a picture of a cruise missile and shows the small target surface in the front view, and the large target surface in the rear view. He mentions their slow speed. They can be shot down. Judging from the information about this weapon's release mechanism, it is not especially dangerous to do that. They do not explode.

That is the type of question which was asked during the briefing.

When they are asked, he goes into Swedish defensive strategy.

Humanity's Fault

One can also ask questions outside that area.

Then there are immense questions which require personal answers, and Jan-Olov Gezelius tones them down. "My role is only a cog in all the work conducted here," he says.

But he also says that it is humanity which bears the blame for all the misery that comes with war. We can not do anything about natural catastrophes. But it is we who forge the chain of events which leads to war.

Then Who Is He?

He grew up in a religious home in Gustavsberg, where his father was a teacher. During his time in the air force he discovered that many in the armed services had a similar background, meaning secure family conditions. He did his conscript service as an aircraft spotter, but he wanted to be a pilot like his two older brothers. He changed his previous plans to be a teacher. After flight training at Ljungbyhed he continued as a fighter pilot, and flew the Flying Barrel and the Hawker Hunter, and as a division commander he flew the Lance; as the commander at Karlsborg "he had the advantage of flying the Viggen."

Would Not Surrender

But where did he get his outlook on defense?

He was born in 1935, and he remembers that his father had colleagues who were Norwegian teachers and friends, who said that when the Germans came to Norway during World War II, certain teachers were sent to German concentration camps. He remembers how his father was determined that if the Germans also came here to put him in a concentration camp, he would never surrender. That was the philosophy of life which his father passed to him, he says.

"If Norway had had a strong defense, they could have prevented the German invasion," he adds.

Resistance movements, guerrillas and passive resistance can never be an alternative to national defense, he believes. It was not the Norwegian resistance movement which defeated Germany. It was the Soviet Union which ground down the Germans bit by bit, and the allies who landed troops. Resistance movements first come into operation when the country is already occupied.

Does it pay for a little country to offer resistance?

"If we do not have a strong defense we can be forced to surrender to an occupying power, and then we must live under a social system which we did not choose. Then we have lost our freedom. Everybody talks about peace. It is good that more and more people are getting involved in the peace issue. But freedom? Should it not be defended?"

"Naturally everybody wishes that we could solve conflicts without weapons," he said. "Every right-thinking person wants peace. Masses of energy should be devoted to the study of how to solve conflicts without weapons. But we can not even settle the simplest conflicts."

"The religions have not even been able to create conciliatory attitudes, sometimes just the opposite. The so-called Christian Falangists commit unpleasant deeds. Also, those who hoped that the Helsinki Agreement of 1975 would reduce conflicts must be disappointed. There the different countries agreed on confidence-building measures, among other things."

"But trouble in the world has only increased. Conflicts have often arisen in places where they could not be anticipated in advance."

"Much of what has happened just during the 4 years that I have been on the Defense Staff was impossible to foresee, for example the Falklands War."

"War never begins for rational reasons. A chain of events gets started and is difficult to stop," said Jan-Olov Gezelius, whose task is to try to foresee unfortunate chains of events and prescribe how they can be stopped.

Fear Is an Obstacle

But can we stop a superpower?

"There were 50-60 divisions around Poland. Why did they not go into Poland? Sometimes people are perhaps overwhelmed by the resources of a superpower. But I know that they need not be. We have first class units and material."

Are they really going to use their most powerful weapon?

"In spite of everything there are obstacles for the superpowers when it comes to using nuclear weapons. The results of a nuclear war are unacceptable for both powers.

"During World War II there were large stores of poison gas ammunition, but neither the Germans nor the allies utilized these resources. Fear of the results was obviously an obstacle.

"The most important thing, then, is to prevent a conventional war between the superpowers. With such a war the risk increases that nuclear weapons will be used."

What do you believe that a peace movement can do?

"It is too often said that the superpowers can not allow themselves to be influenced. They are receptive to credible arguments. Certain studies, such as FOA [Swedish National Defense Research Institute]'s nuclear weapon study, have because of their credibility had great penetrating effect. Demonstrations, factual debates and opinion polls are not meaningless."

Will Not Disarm

Do you think there is a possibility of radical disarmament?

"I hardly think it is realistic within the foreseeable future. So long as people can not control their aggressiveness and envy and give up their prestige it is difficult to carry out a disarmament in all countries. In this area the superpowers themselves must take the initiative. I do not believe it would pay for a little nation to begin it.

"The superpowers would not follow the example of a little nation. We 'disarmed' within the navy during the 60's and 70's, and one can hardly say that the Soviet Union followed our example.

Many youths believe that there will be a devastating war before the year 2000, which also characterizes their way of life. What would you say to them?

"We are counting on the new generation. We people must change our way of living and communicate with each other, also between nations. It is not the weapons which determine the outcome. It is the people behind them."

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CSO: 3650/194

SOME SCHOLARS PARTIALLY JUSTIFY USSR SUB INCURSION

Stockholm DAGENS NYHETER in Swedish 17 May 83 p 2

[Editorial by Olof Santesson: "Neutrality and the Submarines"]

[Text] The tranquillity of Swedish security policy has been broken--in more than one way. In the discussions of the submarine incursions, there is increasingly heated speculation as to their motives--and on the basis of these speculations, more or less clear recommendations are made about what Sweden ought to do. Ideas such as Sven Andersson's about dealing with the issue on an international level are in a category by themselves.

Otherwise, in a strictly schematic way, one can discern a few major lines in the argument: 1) the Soviet Union does not take us into consideration at all--let's stop being naive and 2) the Soviet Union distrusts us--we must try to improve things.

An advocate of the first line is Carl Bildt, Conservative security expert and member of the Submarine Defense Commission. He has referred in several articles to "systematic errors" in our view of the Soviet Union. This apparently means that we do not understand that the leaders in Moscow are prepared to take the negative political consequences of the submarine traffic because they think that in the long run Sweden will adjust to it or, alternatively, because purely military motives have gained the upper hand. Not until we have overcome this systematic error will we be able to evaluate or counter the Soviet actions correctly, according to Bildt.

FOA [Defense Research Institute] man Ingmar Oldberg told a symposium in Uppsala that the current submarine incursions may represent the most serious pressure put on any Nordic land since the war. On that occasion he is reported as saying directly that he expects a future note containing demands for a treaty or deliberations or something of the sort.

Author Karl Vennberg later granted an interview on this point with the news agency TT. He reacted sharply against what he regards as an allegation that the Soviet Union is preparing to attack the Nordic region. Vennberg wondered if the Soviet Union had doubts about the Swedish alliance and neutrality policy. He himself accuses the Swedish military system of wanting to cooperate with NATO and above all he does not think that Olof

Palme is pursuing an objective foreign policy. "Sweden should use Switzerland as a foreign policy model," said Vennberg. He certainly did not have this kind of "third standpoint" with requirements of restraint on the part of the Swedish government when most of the criticism was being directed at the United States during the Vietnam War.

Peace researcher Wilhelm Agrell has produced a more systematic critical study in a pamphlet called "Gambling With Neutrality" (People and Defense). He describes neutrality as a narrow ledge near an abyss; the important thing is to avoid "sliding off due to our own incompetence." According to Agrell the actual neutrality policy, the "acceptable policy," leaves room for doubt as to its credibility in certain respects.

What Agrell is asking for is "a more cohesive and absolute" neutrality policy. In concrete terms this involves "reducing and checking western dependency." We should accept the increased costs this would entail--the important thing is to eliminate some of the fundamental uncertainty that is associated with the acceptable policy.

Against this we can put Ambassador Sverker Astrom's publication, "Swedish Neutrality Policy" (Swedish Institute). According to this veteran diplomat, one must assume that "principles and ideological stands on the part of a state are unlikely in themselves to be the reason for a military attack." Naturally he is aware that our economic dependence on the rest of the world is constantly increasing and that "increasingly brisk international profits" are required to maintain our defense forces at a high technological level. In contrast to Agrell, Astrom seems to feel that we will have to live with that.

The differences in viewpoint may seem large. Strictly speaking, Agrell makes the policy of neutrality largely a function of what the Soviet Union, for example, thinks of our line. If that is the case, evaluation of the Soviet motive behind the submarine incursions is very important with respect to our own behavior.

But no leading politician has wanted to shape Swedish security policy that way. An overwhelming majority of the Swedish people naturally support Astrom's traditional line instead--that we are the ones who determine our policy of neutrality.

But Agrell and Astrom should be able to agree on the idea that the important thing is to have a fairly detailed strategy in a changeable world. Then pointless speculations about the Soviet submarine incursions would create less disturbance among the rank and file.

Part of such a strategy should also be willingness to take up problems in the United Nations or submit them to international scrutiny. Sven Andersson's (perhaps somewhat tongue-in-cheek?) proposal to allow an international group of experts examine the Submarine Commission's material is worth taking seriously!

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CSO: 3650/189

ARMED FORCES COMMANDER LJUNG REJECTS INTERNATIONAL SUB STUDY

Stockholm DAGENS NYHETER in Swedish 16 May 83 p 5

[Text] The idea of an international study of the Swedish Submarine Commission's report was flatly rejected by Commander in Chief Lennart Ljung. He says that the Soviet Union would never admit violating Swedish territory with its submarines--no matter how overwhelming the evidence that is presented.

The chairman of the Submarine Commission, Sven Andersson, who has held several ministerial posts in former Social Democratic governments, presented the idea of an international review in an article he wrote for DAGENS NYHETER last Sunday.

Sven Andersson based the idea on his review of various Soviet commentaries and demands for an objective report on the alleged submarine violations.

Several Countries

Olof Palme would not comment on the substance of Sven Andersson's article in DAGENS NYHETER on Sunday. However, Defense Minister Anders Thunborg recently said in a short commentary that he found the ideas formulated by the chairman of the Submarine Commission "interesting," but that there are no current plans for an international review of the Submarine Commission's report.

Making an objective expert study of the Submarine Commission would require the participation of several different countries, including the Soviet Union. But Sven Andersson wondered in his DAGENS NYHETER article if the Soviet Union is really interested in such an investigation.

The most interesting aspect of the Submarine Commission's report is the discovery of signs of a new type of midget submarine. That finding aroused the greatest interest on the international level.

Personally, Sven Andersson thought it would be an interesting opportunity to establish the nationality of these minisubs through an international investigation into the existence of these new vessels.

"The fact is that Sven Andersson is not suggesting a regular international investigation of the Submarine Commission, he just says he finds the idea interesting. He is possibly correct that the idea is interesting," Commander in Chief Ljung told the TT news agency.

No Confession

"But it is quite unlikely that the Soviet Union would confess its guilt after an international investigation.

"It is quite inconceivable that the Soviet Union would admit it had done anything alleged in any study at all, no matter how overwhelming the evidence is," Ljung said.

"Therefore the idea of an international commission that is totally objective is not realistic.

"And no new investigation is needed either. The report of the Swedish Submarine Commission is quite convincing," said Lennart Ljung.

He stressed that it was not primarily for reasons of secrecy or other technical objections that he was rejecting the idea of an international commission, but that any results of the study would always be denied by the Soviet Union, even if that nation were pointed out as being guilty.

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BRIEFS

SOVIET SUB MOTIVES SUGGESTED--"The Soviet Union's submarine violations may be a serious sign that the Soviet Union regards the Swedish policy of neutrality as a hollow one. The armed forces wants to get Sweden to join NATO through poorly-considered statements against the Soviet Union. Sweden must go back to the foreign policy pursued by former Foreign Minister Osten Unden. Olof Palme is too temperamental to take good care of our alliance and neutrality policy." The criticism was made by author Karl Vennberg in a TT interview. "The Soviet Union may be using the submarines to make Sweden show its foreign policy colors. The Soviet Union is taking the risk of driving Sweden into NATO, which would provide a well-defined enemy in comparison with the vacillating neutrality policy in Sweden which the Soviets suspect. The Soviet Union should be criticized ideologically. I myself am very critical of what the Soviet Union is doing. But this criticism should not be mixed up with foreign policy. The latter should be based on objective facts." [Text] [Stockholm DAGENS NYHETER in Swedish 16 May 83 p 5] 6578

CSO: 3650/189

COD STOCKS IN BARENTS SEA ALMOST AT END, WARN NORWEGIANS

Stockholm DAGENS NYHETER in Swedish 15 Apr 83 p 14

[Article by Bjorn Lindahl]

[Text] Oslo, Thursday--Norwegian oceanographers have warned the Norwegian Government in an urgent report that cod stocks in the Barents Sea and along Norway's coast are alarmingly low. The percentage of young fish shows that the country is facing several years of "black sea," in which fishing must be restricted to a minimum.

The report was made after this year's fishing began in the Norwegian and Soviet zones. Fishing has been unusually good this year, but the explanation is that it is the older fish that are now winding up in the nets. The increase in the number of young fish was very low because of earlier overfishing and extremely poor weather conditions. Over the past 6 years, the warm currents bringing young fish up to the Barents Sea have failed.

Gunnar Saetersdal, director of the Norwegian Oceanographic Institute, says: "We naturally consider it unpleasant to bring up such bad news at a time when the fishing industry is struggling with serious problems. But the facts cannot be avoided."

According to the researchers, all the restrictions introduced to date must be retained, including the ban on weekend fishing, which has brought strong protests from the fishermen.

Gunnar Saetersdal says: "Saving the fish now is like putting money in the bank. We will get many times that amount back."

Normally, two-thirds of Norwegian fishing takes place in the Barents Sea and along the Norwegian coast at Lofoten. The decline in fish stocks on the Soviet side had already been noticed. Soviet fishermen landed only 40,000 tons of cod last year, compared to a normal catch of 400,000 tons.

Gunnar Saetersdal says: "It is not as serious as the situation with herring, which were almost exterminated. But it will take 4 or 5 years before the stock builds up again."

11798

CSO: 3650/166

BALTIC SALMON THREATENED BY LACK OF QUOTA AGREEMENTS

Stockholm DAGENS NYHETER in Swedish 15 Apr 83 p 14

[Article by Ann-Charlotte Samec]

[Text] Salmon in the Baltic Sea are going to be exterminated within a few years because of unrestrained overfishing, according to the National Fisheries Board. The government is also alarmed.

The seven Baltic states have been quarreling since the mid-1970's over how much salmon each country is entitled to. Sweden wants to take the most because two out of three salmon come from here and half the coastline is ours. The other countries do not go along with that.

Instead, everyone is warring with everyone else and taking as many fish as he can. The International Council for the Exploration of the Sea sounded the alarm as far back as 1953. Now it is asking that fishermen take only 1,550 tons of salmon per year instead of the approximately 2,500 tons currently being caught.

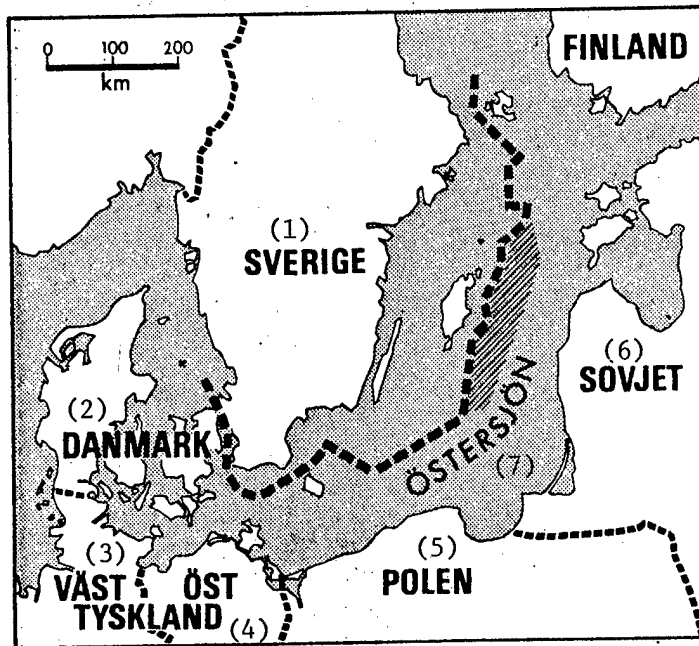
In December of last year, Parliament decided that the government should appoint a committee to investigate salmon fishing in the Baltic Sea. But the issue is so inflamed because of the foreign relations aspect that it took a long time to find the right people for the committee.

They will probably be chosen in April [1983].

Unresolved Dispute

"This issue is extremely sensitive because it involves an international conflict. Sweden cannot agree with its nearest neighbors on an important issue," says Lennart Lindgren, department head at the Ministry of Agriculture.

One of the most heated issues is the unresolved border dispute between Sweden and the Soviet Union. It also affects salmon fishing. Sweden claims that Gotland is our farthest outpost and that the border between Sweden and the Soviet Union should therefore lie halfway between Gotland and the Soviet Union.



The seven countries that are fighting over salmon in the Baltic Sea. Sweden considers itself entitled to almost one-third of the salmon. The other countries object. The hatched area shows the "white zone" in dispute between Sweden and the Soviet Union.

Key:

- | | |
|------------|-----------------|
| 1. Sweden | 5. Poland |
| 2. Denmark | 6. Soviet Union |
| 3. FRG | 7. Baltic Sea |
| 4. GDR | |

The Soviet Union claims that the dividing line should lie halfway between the Swedish mainland and the Soviet mainland. The disputed area off the coast of Gotland is therefore a "white zone." All the countries fish there, and salmon are abundant in that area.

If Sweden and the Soviet Union could agree, the plundering of salmon in the area would decline considerably, since only Sweden and the Soviet Union would then fish there.

But if Sweden and the Soviet Union agree to share fishing in the present "white zone," Denmark will probably protest loudly.

Lennart Lindgren says: "Denmark will not consider it nice of Sweden to shut out a brother country from salmon fishing."

Fish Poaching

Moreover, Sweden and Denmark are already involved in a fishing feud. The National Fisheries Board refuses to grant fishing licenses to the Danish trawlers that have been poaching fish in Swedish waters between Bornholm and Denmark. The Danes claim that it is disoblising of Sweden not to offer the stolen fish, since fishing is so good there.

The Swedish chief public prosecutor has asked that fish poaching be taken up by the Supreme Court.

Lennart Lindgren says: "The government takes a serious view of the threatened extinction of salmon. We have therefore asked the National Fisheries Board to present a very thorough report by this fall concerning its views on the matter."

Also this fall, the seven Baltic countries will meet as usual in Warsaw. And as usual, they will not reach agreement. No one expects them to.

Top-Level Politics

Sweden, Finland, Denmark, the Soviet Union, Poland, the GDR, and the FRG are the countries quarreling over Baltic Sea salmon while in the process of exterminating them.

At last year's meeting, Sweden wanted to try to reduce the total catch to 1,900 tons, of which it would have taken 600 tons.

The Soviet Union would have gotten 380 tons. Denmark and the FRG together--as EC countries--would have been allowed 440 tons, and Poland would have gotten only 50 tons. Sweden therefore wanted almost a third of the total. Today we are getting only one-fourth and are forced to import salmon.

Lennart Lindgren says: "Unfortunately, our neighboring states are not as interested as Sweden is in reducing the total catch and trying to protect the salmon. And professional fishermen in all countries are demanding to be allowed to fish as much as they have been until now."

But salmon are threatened not only by squabbles between countries. They are also threatened by Swedish environmental pollution and squabbles among fishermen in Sweden.

Spawning Season

Young salmon are produced during spawning season in the rivers. But all rivers in Sweden--except four--have been harnessed for hydroelectric power. Salmon do not spawn there. Those found in the harnessed rivers are bred there in fish farms.

Curt Wendt, head of section at the National Fisheries Board, says: "If salmon is to continue to be the finest fish there is, natural salmon must be given a chance to survive." The National Fisheries Board will approach the government

in the very near future with a request that it set to work on the problems inside the country as well.

Natural salmon head for the four undisturbed rivers in the north: the Kalix, Vindel, Pite, and Torne Rivers. But before the salmon that manage to escape deepsea fishermen in the Baltic Sea can enter the river, they encounter another enemy: the coastal fisherman, who takes as much as he can.

And along the rivers inland, there are river fishermen. They take what they can. Very few salmon therefore get the chance to spawn.

"If all the salmon are bred artificially, salmon quality will grow increasingly worse."

The salmon will catch--and are already catching--various diseases, be deformed, and taste bad. They will quite simply become a fish that does not resemble the original salmon.

Curt Wendt says: "It is a species--one more species--that humans are in the process of exterminating. If it is to be saved, we must act quickly."

11798
CSO: 3650/166

SWEDISH MINISTER WARNS OF TOUGHER ILLEGAL FISHING MEASURES

Stockholm DAGENS NYHETER in Swedish 19 Apr 83 p 6

[Article by Dick Ljungberg]

[Text] The penalties for fish poaching in Swedish waters are going to be made stiffer. This was announced in Parliament on Monday by Minister of Agriculture Svante Lundkvist. Fish poaching by foreign--chiefly Danish--fishermen has become a big problem in the Baltic Sea.

Swedish fishermen's organizations have demanded stiffer penalties for fish poaching, pointing out that the laws in surrounding countries are considerably tougher.

Lundkvist told Jens Eriksson (Conservative Party), chairman of the National Federation of Swedish Fishermen, and Kenth Skarvik (Liberal Party): "As a rule, the penalty for illegal fishing is merely a fine. Since Swedish fines are actually quite low, the penalties applied in other countries seem more severe."

If violations were regularly punished by forfeiture of the violator's catch, tackle, or an equivalent amount, the consequences would be very painful.

The National Fisheries Board also notified the chief public prosecutor a few days ago that current court practice is too lenient for effectively combating illegal fishing.

Lundkvist said: "It is completely clear that the big differences that currently exist in the enforcement systems of the various countries are regarded as unfair by Swedish fishermen. In my opinion, there is justification for increasing the penalties and tightening up their enforcement."

Lundkvist is seeking primarily a coordination of penalties in the Scandinavian countries. The issue will be discussed at a meeting in Visby in May.

Extremely Lenient

Sweden has been extremely lenient toward illegal fishing. Anyone who is caught pays a fine of only a few hundred or thousand kronor. That makes it worthwhile to poach fish in Swedish waters.

"It has gone so far that foreign fishermen have assumed that they have a right to fish in our waters."

Jens Eriksson points out that the Norwegians sometimes fire on foreign boats poaching in Norwegian waters.

Swedish fishermen guilty of minor offenses in Norwegian waters have been fined between 20,000 and 30,000 kroner. That is unreasonable, says Kenth Skarvik.

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POLICE STRIKE POSTPONED, MEETING WITH BARRIONUEVO

Madrid EL ALCAZAR in Spanish 1 May 83 p 8

[Article by A. Florensa: "National Police To Be Demilitarized"]

[Text] The Professional Police Union and the Police Trade Union yesterday announced after a conversation with Mr Barrionuevo, the minister of the interior, that they had agreed to postpone the strike with which they have been threatening the government for some days.

As our readers will recall, this strike was to have begun with a series of unspecified pressure tactics starting tomorrow, Tuesday, the day on which the joint commission of the unions and the ministry will meet for the first time to deal with the demands of the members of the Higher Police Corps.

As Manuel Novas and Modesto Garcia, leaders of the SPP and USP respectively, announced in their latest press conferences, "we have come to an agreement, since our demands regarding the unification and economic topics have been partially met by the minister."

The spokesmen took a much more moderate tone than on previous occasions in referring to Mr Barrionuevo, and they joked with the reporters about some of the matters which they had previously argued very energetically. They stated that the pressure tactics will be postponed as long as the negotiating commission is producing results. The strike will be kept in reserve as a threat pending what is achieved in the conversations from day to day.

National Police Losers, Higher Corps to Benefit

After the seemingly deep differences between the demands of the unions and the position of the ministry, the document summing up the agreement with Barrionuevo which was distributed to the press shows that a surprising degree of understanding has been reached between the police and the ministry.

The topics related to the economic agreement are to depend on the conversations of the commission; and it appears that after the negotiations they only anticipate raised benefits starting from January 1983. The claims for past years (which would involve a loss for the police of some 1.3 billion pesetas in litigation costs) will not be pressed. However, in the conversation with Jose Barrionuevo the questions which relate to the so-called "subject of unification"

are made much clearer, with the ministry accepting almost all the unions' demands. According to spokesmen of the SPP and USP, the minister of the interior will accept a proportionality rate of 10 for the table of leadership and command for the future Royal Police Brigade, taking into consideration the university degrees of its members.

Furthermore, the ministry has agreed that the future Corps will be "completely civilian and demilitarized," with those military men remaining in it who have completed a minimum amount of time in the National Police (one year longer than the time period stipulated in the current law) "and taking into consideration qualities of competence and professionalism."

Many of the military men currently assigned to the National Police "will feel the need to leave the Brigade because they can not identify with the civilian nature of the police. They will be allowed no more than 3 months to withdraw," reads the text of the document mentioned, which was made available to the press.

As for the topic which is called "the most controversial one" by the union leaders--making the ranks of inspectors and military men comparable--the ministry agreed to change the rank of 1,500 first-class inspectors to that of assistant inspector, because they are equivalent to chiefs and not to officers. The promotion process in the National Police will also be frozen, with only the vacancies which are currently open being filled. The police unions were protesting the promotion to major of almost 130 captains, alleging that those vacancies did not exist. On the other hand, 140 vacancies for commissioners are being filled.

According to the document, the unions will monitor the promotions, which will bring about more participation by members of the CSP in different organizations, and they will "supervise" the promotion exams.

The minister also agreed to "clearly" delineate the fields of responsibility between the Civil Guard and the police.

Recognition of the Right to Strike

In the conversations Barrionuevo also accepted the demands of a trade union nature, revoking the order given to the leaders of the USP and SPP to take up their police posts. The ministry "will agree to trade union privileges and the right to strike."

The preliminary draft of the Unification Law, which until now has been withheld by the ministry, will be delivered to the unions on 15 May, while there also will be conversations during the meeting with Jose Barrionuevo about "regularization in the near future of the right of the National Police to form trade unions."

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END