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# West Europe Report

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# WEST EUROPE REPORT

No. 2154

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## SDP DEFENSE SPOKESMAN LASSE BUDTZ HIT ON EUROMISSILES STAND

Copenhagen BERLINGSKE TIDENDE in Danish 11 May 83 p 10

[Editorial: "Missiles Again"]

[Text] When the Folketing, after an absurd debate about missile defense in December, approved a Social Democratic resolution, the government kept out of it. Its reason was that it did not want to push the Social Democrats into the arms of the Socialist People's Party and the Left-Socialist Party. It must, however, also have had as a reason that it continues to believe that it could undertake the responsibility of leading the country's foreign and security policies with confidence that has a clear majority in the Folketing behind it in these areas. That will be a reason to re-examine when the Folketing before long has a new debate about the stationing of missiles in agreement with NATO's decision on that issue.

For the public, the discussion which preceded the decision in December was a confusing and uncertain affair, which must have left the impression that the government chose a clever solution by not coming in with a minority on one issue which inevitably would have caused a general election. Such an outcome can not happen again. If it did, the government's confidence would be lost, not only before the people, but before the outside world. A minority government can come to terms with not having its own way every time. When it concerns the nation's security policy, this government--which moreover has a conservative prime minister--can not continue if doubt is raised about its position.

Against that background it is understandable if there is some private discussion between the government and the Social Democrats. It would be wise if the prime minister and foreign minister talk with Anker Jorgensen about how to avoid the government and the large opposition party coming into the same situation as in December. None of the parties wants to have a repetition. These discussions will not be advanced by the position which the Social Democratic spokesman Lasse Budtz proposed sharply. At a meeting last Saturday Budtz explained that a Social Democratic resolution can be expected which will demand that negotiations in Geneva with the Soviet Union

be extended throughout 1983. His argument is appallingly simple: The missiles have no military importance. In order to place his position in relief Budtz simultaneously directed a violent attack against NATO's secretary general, as though it were he who is the cause of all the world's wickedness.

Lasse Budtz, whose overestimation of his own ability and possibilities knows no limits could--if it curiously should happen that it is he who decides the policy of the Social Democrats--cause the government to fall. Only Social Democratic levelheadedness can prevent the government being forced out in a situation which could lead to an election. It is possible that Lasse Budtz would consider such an outcome as a personal triumph. For the great majority, which since the war has stood together on foreign policy, it would be a tragedy.

9287

CSO: 3613/115

## COUNTRY'S LARGEST COAL-FIRED DISTRICT HEATING PLANT STARTS

Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 83 p 11

[Article by Bitten Friis]

[Text] On Friday Energy Minister Knud Enggaard (Liberal Party) will dedicate the country's largest coal-fired district heating plant--Ishoj District Heating Plant. The plant will serve about 5,200 households, downtown Ishoj including the city hall and public swimming pools, Strandgard School, Vejlebro School, Gildbro School, Vibeholm School, the EFG School on Vejlebrovej, a nursing home, and a dozen or so day care centers.

The Ishoj District Heating Plant is replacing 16 oil-fired heating plants. For environmental reasons, the district heating plant has been sited at the Industrivangen Industrial Park. Engineer P. Rosenstand of the Municipality of Ishoj said that the municipality had more than met the environmental requirements placed on it by the Metropolitan Council in connection with construction of the district heating plant. The flue gas filter installed by the municipality exceeds the specifications of the Metropolitan Council.

The Ishoj District Heating Plant was designed to provide combined power and district heating and in due course it will deliver heat to the future district heating network on Vestegnen. Thus, the Ishoj District Heating Plant will have no connection with the cogeneration plant to be constructed on Avedøre at a later date. At the same time, the Power Board has decided that the coal-fired heating plant shall be equipped to burn natural gas. During periods when little natural gas is consumed, i.e. during the summer, the coal-fired heating plant will be able to purchase natural gas.

The Ishoj District Heating Plant will use 18,500 tons of coal annually. During the coldest periods consumption will reach 125 tons per day. The coal is kept in an enclosed storage area. The district heating plant can store a maximum of 2,300 tons at once. That corresponds to about 25 days. The stack at the district heating plant is 75 m high and has an outer diameter of 3.5 m. The district heating plant cost 33 million kroner, excluding tax. This is in addition to transmission lines to 16 heating stations and reconstruction of these stations to include heat exchangers. This system cost about 20 million kroner.

Heat from the new coal-fired district heating plant is 30 to 40 percent cheaper than gas oil heating. Of the 16 heating stations replaced by the new plant, 14 used gas oil.

On Saturday there will be an open house at the district heating plant from 1200 to 1600.

9336

CSO: 3613/91

## BRIEFS

NEW 'WINDMILL-PARK' WEIGHED--Elkraft, which is in charge of electrical co-operation east of the Great Belt, is now investigating the possibilities of establishing a so-called windmill-park on Masnedo at Vordingborg. In 1977, electrical plants began a wind power program in cooperation with the Ministry of Energy with, among other things, the establishment of two mills at Nibe, and the planned five mills on Masnedo will be of the same type as the Nibe mills, which have created a foundation of experience for the new project. Chief of information Finn Hasted states that Elkraft, in cooperation with the electric company Seas, in whose area the mills will be erected, has originated negotiations with the authorities, which means that there will first be a local plan worked out. "The new windmill-park will consist of 5 mills with a power of 650 kw each." [Text] [Copenhagen INFORMATION in Danish 7-8 May 83 p 5] 9287

CSO: 3613/115

## DIRECT PURCHASE OF USSR OIL GENERATES CONTROVERSY

## Private Company Elbowed Out

Athens AKROPOLIS in Greek 21 Apr 83 p 1

/Text/ The Greek government and the Soviet Union agreed directly on oil supplies and pushed out the well-known businessman Mamidakis who has brought Soviet oil to Greece for more than 25 years.

Most surprising, the announcement was made by Minister of National Economy Pottakis who told the press that "Mamidakis had proposed the procurement of Soviet oil at 31.90 dollars per barrel" and that when the talks started during the visit of Soviet Premier Tikhonov "the Soviets asked that the agreement be ratified at the same price." "Later, however," the minister added, "when the talks moved on, it came out that the Greeks thought that Mamidakis represented the Soviets and the Soviets thought that he represented the Greeks. When we proposed a direct inter-governmental agreement it was revealed that Mamidakis was neither. The negotiations followed and yesterday an agreement was signed which for the first time in 20 years did not provide for a middleman."

The agreement which will be signed next week provides for the direct procurement of 1.5 million tons of Soviet oil with 150,000 tons already purchased at 28 dollars per barrel. The price will fluctuate according to changes in international prices.

## Company Statement

Athens I KATHIMERINI in Greek 24-25 Apr 83 p 1

/Text/ "In the last few days the political and economic newspapers and the mass media published statements by Alternate Minister of National Economy Ioannis Pottakis and comments concerning the selling of Russian oil to Greece.

"Because the reality is different, and in order to restore truth, we provide the following information.

"1. The G. Mamidakis Company has been for the last 30 years the exclusive representative for Russian oil in Greece. In that capacity, the company

signed a series of agreements which were implemented perfectly. The last agreement was signed a year ago with the then Deputy Minister of Commerce Papaspyrou. Our position as the representative is testified to in documents which are in the possession of the minister.

"2. On the basis of a contract we signed with the Soviet Oil Agency on 10 November 1982, we submitted an offer for 1.5 million tons at 33 dollars CIF per barrel, while on 8 December 1982 we submitted an additional offer for Libyan oil in Soviet ownership. Following negotiations and talks with the Soviet agency we reduced the price to 31.90 dollars CIF per barrel. We notified the minister of this with a letter dated 21 January 1983 in which we attached a Telex from the chairman of the Soviet Oil Agency which authorized us as the only representative for the curde oil in Greece.

"3. It must be noted that at that time (21 January 1983) 31.90 dollars CIF per barrel was the best price for deliveries of crude oil in the Mediterranean region, since during that same time the official price for Arabian Light which is the standard for crude and the basis for the formation of prices was 34 dollars FOB per barrel, delivered in the Arabian Gulf.

"During the same period the government bought through inter-governmental agreements Algerian crude at 35.50 dollars FOB per barrel and Iraqi at 34.80 dollars FOB, i.e., at the official government prices.

"4. As is internationally known, OPEC met in March 1983 and set the price for Arabian Light at 29 dollars FOB with delivery in the Arabian Gulf. Immediately the Soviet agency set the price for crude oil at 28 dollars per barrel CIF Mediterranean.

"According to the terms of our offer the price of the Russian oil was adjusted automatically at 28 dollars CIF per barrel, a fact specifically provided in our contract with the Soviet Oil Agency. It must be noted that our offer was not burdened by any additional commissions.

"5. The most significant point is that throughout all these years we imported Russian oil to Greece, at least 65 percent was transported on Greek flag tankers. For 30 years we had secured the influx of very considerable sums of foreign exchange which will not be recieved by Greece anymore, since the oil will be transported on Russian tankers.

"All these facts prove beyond question that the sale of Russian oil in Greece for the past 30 years was effected through our company in a way beneficial to the Greek interests. It must, finally, be noted that the latest direct inter-governmental negotiation and agreement was concluded after the Soviet Oil Agency asked us and received our consent, since they were obligated under our contract.

Respectfully,

Georgios I. Mamidakis  
for "AEEP G. Mamidakis and Co."

7520  
CSO: 3521/293

## GAS, SPECIAL GASOLINE PRODUCTION PLANNED

Athens TA NEA in Greek 20 Apr 83 p 14

/Text/ The production of gas will start by October and the installations of Piraeus Street will close for good. At the same time, a plan is initiated to expand the Aspropyrgos refinery and make the unit competitive and able to meet the needs of domestic consumption by 1 January 1986 when the market will be freed /of foreign domination/.

Statements to this effect were made yesterday by the vice president and the general director of the Greek refineries, A. Papavranousis and Ath. Karakhalios, respectively.

The planned investment for the refinery is 300 million dollars. It provides mainly for the addition of units which will process crude oil and will produce liquid gas, benzine and diesel. There will also be a study for installing "coker" units for the production of petroleum coal for electrodes of electric furnaces.

Beginning 1 July the production of special gasoline for the Athens region will begin as planned.

With regard to the role of the Aspropyrgos refinery, it was emphasized yesterday that with the improvement of its installations and their expansion which is being planned in conjunction with the utilization of the Esso refinery in Salonica, if the negotiations are completed, "the domestic market for petroleum products will not be left in the hands of the multi-nationals."

7520

GSO: 3521/293

## NEW ENERGY AGENCY DIRECTOR CARL THAM ON NUCLEAR, OIL POLICIES

Stockholm SVENSKA DAGBLADET in Swedish 19 Mar 83 p 10

[Interview with Carl Tham, director of the National Energy Agency, by Bo Ostlund, in Stockholm; date not specified]

[Text] On 1 July this year, Carl Tham will take his seat as newly appointed director general in his office at the newly established National Energy Agency on Liljeholmen in Stockholm. The days of big controversies concerning Swedish energy policy are over, and the time for workaday operations has now arrived, says Carl Tham.

The most recent controversy was over the question of where our energy agency should be located!

SVENSKA DAGBLADET interviewed Carl Tham at the Ministry of Foreign Affairs, where he is still working at the moment. Tham depicts the workaday aspects of energy policy as being anything but dull:

"Now the very important matters will start following their course. It is a time when we must emphasize steadfastness and planning for long-term solutions. We are faced with very big problems, and we have never concealed that fact: we are going to phase out nuclear power and petroleum at the same time."

[Question] Is it possible to phase out nuclear power?

[Answer] Yes, of course it is. It is a matter of using other energy sources--a matter of development and management. And we must come up with new technology."

## Changeover Desirable

[Question] Electricity consumption is increasing at the moment--high petroleum prices are attracting more and more people to electric heating. Are we making it more difficult at the moment to phase out nuclear power?

[Answer] I don't think so. The changeover to electricity--from petroleum--is very desirable in itself, provided that the electricity is used in water-carried systems. That was the intention with the government's conversion loans. That way, we will not lock ourselves into the use of electricity. But it is true that we may have problems with substitute sources of energy.

[Question] Was it correct to phase out nuclear power?

[Answer] If you are asking whether it was a good decision, my answer is obviously yes. I fought for that side.

[Question] Is it a good idea, considering the Third World? Some people claim that we in the developed world, who have both the means and the technology, should continue to use that sophisticated energy source and not compete for unrenovable fossil fuels with people who are worse off.

[Answer] We in Sweden are not going to import more oil, of course, although it is true that we will import a little more coal. But we account for a very small part of world trade.

But if the whole Western world were to decide all at the same time to phase out nuclear power, that would obviously put severe pressure on the coal and petroleum market, with immediate price increases that would hit those that are already poor the hardest.

#### Initiate Analyses

Tham hopes that he will be able in his new position to initiate analyses and to stir up proposals in the field of energy--to indicate solutions and problems actively in the political arena. To be a "generator."

[Question] But what will happen if, against the background of what has just been said concerning the problems involved in phasing out nuclear power, the agency comes to the conclusion that we ought to introduce nuclear heating and develop the rivers in Norrland?

[Answer] Concerning nuclear heating, it would be clearly inappropriate to propose anything of that kind. It would require a political order, and there is not likely to be one. Concerning the rivers, it may not be equally obvious that we should adopt the same wait-and-see attitude. The question of the rivers is under study, you know.

[Question] Do you think that nuclear heating is a good thing?

[Answer] Theoretically, it would certainly fit into the picture. Nuclear heating is environmentally suitable and fits in with our water-carried heating systems--but nuclear heating presents the same problems as nuclear power when it comes to waste. And it is a purely theoretical question, because there will be no nuclear heating.

[Question] Do you feel that the subject of nuclear heating constitutes a taboo?

[Answer] No, nothing is taboo. But as the head of an agency, one has a government official's responsibility to suggest solutions that are feasible. The big controversies concerning energy policy are over. So it would be clearly inappropriate to work on behalf of nuclear heating. It would create a situation that is completely dead politically as well as the risk of new deadlocks.

#### Develop Rivers

[Question] Do you feel that we will sacrifice the rivers in Norrland?

[Answer] It is my personal view, and I have stated it before, that we must develop some river. Hydroelectric power is an energy source that is very safe from the standpoint of health. It is renewable, and it is domestic. But if by your question you mean all four rivers, my answer is no.

[Question] Petroleum prices are dropping at the moment. Is that good?

[Answer] Yes, it is good. They were too high. But there are dangers if we are deceived into neglecting our efforts to get away from petroleum and perhaps increase our consumption of it. If we do that, we will soon be in a bad way again, because the evolution of petroleum prices is a cyclical process. There will be price increases in the future, especially if the Western world increases its oil consumption.

This is very clearly a good thing for Sweden--1983 will be the first year in a long time that we will actually reduce our expenditures for petroleum imports.

#### Marked Improvement

[Question] But many people are warning of even worse crises if the petroleum-producing countries lose ground. For example, there might be banking crises as a result of canceled loans.

[Answer] A few petroleum-producing countries have big debts, but the really big borrowers are the petroleum importers: industrialized countries in the East and West and about 80 poor underdeveloped countries that are now seeing a change for the better. For them it means a marked improvement. On the whole, I believe that lower petroleum prices are a positive development. But the situation must be handled correctly. It would be a mistake if petroleum consumption were to increase again.

[Question] Is a higher petroleum tax needed?

[Answer] The minister of energy has said that it is too early to decide that question and that we must watch developments. That is certainly a sensible attitude. Purely on grounds of principle, I feel that we should be able to use tax increases and decreases to influence consumption. But that is basically a political question.

## PAPER SEES REASON FOR OPTIMISM IN ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 83 p 8

[Editorial]

[Text] The economic review from the Finance Office shows primarily that it will be a long time before Denmark can claim seriously that it has come out of its economic difficulties. The trade deficit for this year is estimated at 14.5 billion kroner, unemployment will climb by about 20,000, the deficit in the state budget and all public finances will increase, and the number of public employees will increase by about 10,000.

The change in the economic situation that has led to optimistic predictions cannot disguise the fact that the situation remains serious. To be sure, a trade deficit for 1983 of the magnitude indicated above means a 5 to 6 billion kroner reduction compared to last year. But this still is a sizable deficit and when the economic reversal is made manifest in a higher level of investments in industry and construction, an even greater trade deficit must be anticipated.

Because of many years of neglect in Danish policy, we must now follow a long, slow path if we are to improve the economy of our country. Thus, over a 20-year period Denmark has had significant deficits in its trade with other countries, so that Denmark's situation is much more strained than that of most other developed countries.

Thus, the economic survey also makes it clear that we must continue the austerity policies begun in earnest in late 1982. It would be indefensible now and for some time to come to change our present direction.

The optimism surrounding the economic trend in 1983 and 1984 must be linked to an expected international upturn. There are indications that this upturn has begun, although with varying strength in various countries. The drop in oil prices and the overall reduction of inflation may be expected to increase these trends. These circumstances also may convince governments to introduce gradually more expansive policies. This would favor firms here at home that must compete on the international market, although it is doubtful that the competitiveness of Danish industry will improve to the extent that it could

feel the full effect of this trend. In this connection, the Finance Office's prediction concerning domestic wage increases seems to be a bit too optimistic. In any event, it is clear that if we are to succeed, new steps must be taken in Danish economic policy.

9336

CSO: 3613/91

## KARSTEN LAURSEN NAMED NEW CHAIRMAN OF ECONOMIC ADVISORS

Copenhagen BERLINGSKE TIDENDE in Danish 11 May 83 III p 3

[Article by fd: "New Top Sage Says Things Straight Out"]

[Text] Yesterday the government named 49-year-old Professor of Economics Karsten Laursen from Aarhus University as its new "top sage," meaning chairman of The Council of Economic Advisors.

Karsten Laursen, who has been an "ordinary sage" for the past 2 years, relieves Professor Hans E. Zeuthen, who after 5 years in the job as "top sage" desires to retire from that demanding position.

The new "top sage" has a reputation for saying things straight out. It caused repercussions over the entire country when Karsten Laursen, shortly after being named as "ordinary sage" in 1981, said that the minimum wage was too high, and should be brought down.

The labor movement demanded immediately that Laursen be fired and the council be abolished, but Karsten Laursen did not change his viewpoint: The present wage level and the present wage structure is incompatible with full employment.

Karsten Laursen last year invoked the anger of politicians when he openly complained that the krone was not devalued at the same time as the franc. The devaluation viewpoint was firmly maintained in the autumn "report by the sages."

Karsten Laursen graduated with a degree in economics in 1960, and thereafter was employed at the Economic Institute at Aarhus University. In 1973 he became a professor of national economy at the same place.

His university career was interrupted by a number of leaves of absence, when Karsten Laursen functioned as an economist abroad.

In 1966-68 Laursen was advisor for the government of Columbia, and in 1972-73 he had a corresponding job in Morocco. In 1976-78 he was an advisor for the World Bank, so the new "top sage" is surely most interested in international economics.

Karsten Laursen has three grown children, and all of them study or have plans to study economics.

#### New "Ordinary Sage" From Aarhus

The so-called "institution of sages" with the formal name The Council of Economic Advisors, consists of three Danish national economists. After Professor Zeuthen's retirement there remained one vacancy, and it is now filled by 46-year-old Professor of Economics Ebbe Yndgaard from Aarhus University.

The new "ordinary sage" is a graduate in politics from Copenhagen University (1963) and was for 2 years senior economist employed by I/S Datacentralen.

From 1966 to 1969 Ebbe Yndgaard worked in the secretariat of The Council of Economic Advisors, for the three economic "sages" of that time. Yndgaard has thus an especially good feeling for what a "sage's" job is all about.

In 1969 Ebbe Yndgaard came to Aarhus University as a lecturer in econometrics, and in 1973 he was made professor.

In the period 1976-77 Yndgaard acted as dean of the social science faculty, and in that capacity he was one of the main people responsible for cleaning up the irregularities in the accounts of Aarhus University in the wake of the scandal in 1976 in which Svend Bundgaard retired as president of Aarhus University.

Professor Ebbe Yndgaard is known as a rapid decision maker, and as an economist in the field of econometrics he has among other things occupied himself with the instability theory, which will undoubtedly be an advantage when, as a "sage" he will grapple with Denmark's unbalanced economy in practice.

Ebbe Yndgaard has also made himself evident with his viewpoints on the subject of wage spreads.

Besides his professor work in October 1982 Ebbe Yndgaard took over the post of chairman of the Special National Committee on Social Science and Social Education. The new "sage" took over this job replacing BERLINGSKE TIDENDE's feature editor Knud Larsen.

The three economic "sages" now are: Professor Karsten Laursen, Professor Erik Gortz and Professor Ebbe Yndgaard.

9287

CSO: 3613/115

BANK SPOKESMAN VIEWS ECONOMIC DEVELOPMENTS, TRENDS

Duesseldorf WIRTSCHAFTSWOCHE in German 22 Apr 83 pp 35-36

[Interview with Hanns Christian Schroeder-Hohenwarth, president of the Federal Association of German Banks, by editors Bernadette Conraths and Christoph Wehnelt; date and place not given]

[Text] In his first interview as the new president of the Federal Association of German Banks, Hanns Christian Schroeder-Hohenwarth declares to WIRTSCHAFTSWOCHE that he favors more optimism above the economic trend. He believes that the preconditions exist for a moderate upturn. As for the inflation rate, even this year he expects a two in front of the comma.

[Question] Mr Schroeder-Hohenwarth, in the future, you, as president of the Federal Association of German Banks, will be one of those who create the atmosphere, if not the weather, in the German economy. How do you assess the economic trend for 1983?

[Answer] We should not be euphoric, but the trend is up. Essentially, there are two reasons for that: We have a stable government that guarantees a secure market-economy foundation for building successful enterprise. Also, the lengthy downturn has led to a significant investment backlog that will lead to increasing orders. There were already indications of that in the first months of this year.

[Question] The Germany economy needs growth to be able to keep unemployment and public debt within limits. What are the growth prospects for this year and what can one expect for 1984?

[Answer] I believe that there is a good chance that total economic growth in 1983 will be greater than the estimate by the Federal Government. Based on the negative fourth quarter 1982, the government had assumed zero growth on an annual average. Seen today, my opinion is that that is too cautious. One can probably now assume total economic growth of 1 percent in real terms. By itself, the price reduction of \$5 per barrel of oil brings us economic growth of about one-half percent, for the 8 billion that the German economy and the consumers save for oil goes into consumption elsewhere.

[Question] And what is the outlook for inflation?

[Answer] The current inflation rate is 3.7 percent. In the further course of the year, we will probably see a two in front of the comma. The average inflation for 1983 could be around 3 percent or just a little above that. That is naturally highly gratifying, because then the Federal Bank will again have a certain latitude for lowering interest rates. Thus the interest rate at the long end of the capital market could fall somewhat.

[Question] In the fall, then, we will also have a three before the comma for the rediscount rate?

[Answer] Why not before fall?

[Question] Being world champions in inflation-fighting also has its problems. The French go so far as to blame us for their difficulties. Is it not in fact time to consider something else--controlling unemployment, for example?

[Answer] Controlling inflation has priority and it remains a permanent job. That must apply both to economic policy in Bonn and to the policies of the Federal Bank in Frankfurt. There is no substitute for honesty vis-a-vis the saver. It is so often said that the result of controlling inflation was the destruction of jobs. That is false. The situation that we now face in the labor market was a result of excessive strains on the economy. For years, wage costs grew too rapidly and social expenditures increased out of proportion. Business profits dwindled. What remained was inflation, which also drove up interest rates, further burdening businesses. There was no money for investment. Jobs became uncertain.

[Question] Paradoxically, the unemployed are now to be helped by dismantling social benefits.

[Answer] That is not quite right. What we need is the strengthening of private initiative. In wide sections of the population, the willingness to perform has suffered. It must be built up again. Innovation and the willingness to invest should be promoted. Included in that is a reduction of social areas that are excessive and too taxing. But social services should not be reduced inordinately. Since we all consider such high unemployment to be most unsocial, whatever is humanly possible must be done for the unemployed, and the creation of new, more productive jobs must be promoted by improving the attendant circumstances.

[Question] Can you indicate a direction?

[Answer] In our economic system, the middle-class element must be strengthened and new entrepreneurial activities, that is, new livelihoods, must be promoted.

[Question] With what resources?

[Answer] That is not primarily a question of money but of the individual's willingness to accept risks. A young man ought to be prepared to develop himself in an area of work suitable to him and to be active in some undertaking.

[Question] He will always need money. But he does not receive it from the banks because their willingness to take risks falls in conjunction with the increasing risk that the young entrepreneur is prepared to accept.

[Answer] Your premise is correct in that under unfavorable conditions and a limited supply of capital on the part of the credit applicant, the bank must make a precise determination between its risk and the chances of the young entrepreneur. After all, it is not risking its own money but that of its depositors. But when circumstances are good enough so that a new entrepreneur can undertake something, then the chances are greater that he will make headway. But thereby the willingness of the banks to take part also increases.

[Question] But banking practice is to loan money only against collateral. That holds true for young entrepreneurs as well as underdeveloped countries. Because the banks charge too high an interest rate and are too strict in their credit check, the upswing, both national and international, is even slower than usual.

[Answer] Large amounts of bank credit are still provided as open credit, that is, without collateral. It is different in the case of young enterprises and those in which their own capital reserves are too limited or the risk is especially high; but should we be laxer in our risk assessment? The banks do not curb the business cycle. The criticism that they kept interest rates too high for too long is actually without substance. Also, I know of no important export project that may have failed because of financial reasons. The great export successes of the German economy until 1982 would not have been possible without this attitude of the banks. For a long time, it enabled us to help preserve jobs.

[Question] New countries are getting into payments difficulties almost every day. How do you arrive at the optimistic business forecast when it is known that a third of these countries are bankrupt and thus are no longer open for German goods?

[Answer] A third of the countries are not bankrupt, at least not yet. And the largest part of the states having payments difficulties belongs to the group of the developing and threshold countries. But only the smaller part of German exports is for these countries: about 8 percent to the developing countries and 17 percent including OPEC. Our main trade partners are the Western industrial countries. The already discernible economic trend in the United States, for example, supports the premise that I have just given for the business cycle.

[Question] An export-oriented country such as the FRG, which also has worldwide economic responsibility, cannot leave the rest of the world--outside of the OECD--out in the cold. The banks have a special responsibility there.

[Answer] The banks will do all they can so that German industry can keep and even expand its export markets. That is why we also welcome the extension of the Hermes facilities.

[Question] But Hermes alone cannot do it. Are the banks prepared to extend their export risk?

[Answer] Naturally, an economy based on private industry and the private banks must consider how far they can go along with their domestic client, the exporter, without putting undue strain on their own risk basis.

[Question] Is it not true that you are also observing an overstrained risk awareness in your profession?

[Answer] Loans to potentially risky countries must be in a clearly defined relation to any particular bank's own resources. But of course it is also true that world economic dislocations, to which the oil-price shock and high interest rates have contributed, make more risky loans that were originally not considered risky. Thus countries can very quickly reach a stage where they are no longer credit-worthy. The banks cannot always recognize that soon enough. They can also err. But when we do make a mistake, we should have prepared ourselves so that this error does not destroy us.

[Question] The banking community, together with the IMF, has completed in an orderly manner the first round for economic recovery of the countries that have become insolvent. Who is going to give the bankrupt countries additional credit in the second round after the IMF has shot its bolt?

[Answer] First of all: it is inappropriate to speak of "bankruptcies." In all cases, it is a matter of liquidity bottlenecks brought about by foreign-exchange problems--in part probably long-standing, to be sure. It is also not correct to say that the IMF has "shot its bolt." Until the already agreed quota increase to almost \$100 billion goes into effect, the fund has sufficient resources for temporary measures.

And the internationally involved banks will certainly not abruptly demand repayment of the loans that they have given to the countries now experiencing difficulties. On the contrary, they will provide additional financing in the appropriate scope--to the extent that the debtors meet the prerequisites--so that the problem countries will be put into the position to service their debt normally in the future. But here the debtors also have responsibilities. I admit that it is a long-range and difficult process that will last years and also may not be successful in every case. But do not forget that in the last century the United States was also a developing country that needed large amounts of foreign capital to finance its industrialization process.

9746  
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## STEADY PRODUCTION, RISING EMPLOYMENT IN AUTO INDUSTRY

Hamburg DIE ZEIT in German 11 Mar 83 p 25

[Article by Richard Gaul: "More Work in Auto: New Jobs Due to Environmental Protection and Reduction in Work Time"]

[Text] Even without growth, employment levels do not have to decline. For 10 years, production in the German auto industry has stagnated, but the number of jobs has increased.

According to a 1975 analysis by the IFO [Institute for Economic Research], production levels in the German auto industry were to rise for another 10 years, and the fear of a structural crisis was, therefore, unfounded. The market researchers drew the right conclusions--but the prognosis was wrong. The German auto industry is not, in fact, mired in a structural crisis. Nonetheless, its level of production is still far from the 4.4 million passenger vehicles per year predicted by the IFO for as early as 1980.

Auto production has stagnated "for 10 years at about four million units," explains BMW head Eberhard von Kuenheim. But although only a slightly greater number of passenger cars, trucks and buses now are being built than were built in 1973, this branch of the industry employs over 40,000 more workers than it did at that time. The reason why there is more work without growth in the auto industry is that cars have become more costly.

"Ten years ago, our models were much simpler technologically," remembers Opel board member Hans-Wilhelm Gaeb. "Disk brakes and independent rear wheel suspension, both important safety features which are now standard were at that time still the exception." The importance of the new cars for employment is shown by an example from Porsche: "For the 928-model we require 30 percent more work hours than for the 9--model," explains board member Heinz Branitzki.

More workers are also necessary if the sports cars from Stuttgart are to gain entrance to other countries at all. "Exhaust and noise reduction regulations must be met which, 10 years ago, were not even spoken of," says Branitzki, "and increasingly our cars have to become more economic, for which additional construction expenditures are also needed." Protection of

the environment thus creates more jobs. "The cars of today," said Achim Diekmann, director of the Automobile Industry Association (VdA), in summing up, "conserve resources. They use less fuel and they no longer pollute the environment as severely as their predecessors did."

In addition, the product range of the cars built in the FRG has broadened. "Cars today have greater displacement and more horsepower," comments Diekmann. For that reason, there has also been an increase in the number of units produced by the makers of the high-class models, BMW and Daimler-Benz, over the last 10 years. The producers of smaller cars, on the other hand, had to restrict their production. But even within a single firm, the offerings--and thus employment--were expanded: in 1972, the Volkswagen Company still produced a single model, the Beetle, almost exclusively. Now the spectrum ranges from the Polo to the Santana, with the Beetle only an import from Mexico. Ten years ago, this "old time was assembled in Germany from 5,000 individual parts; today, up to 10,000 parts are necessary for the construction of a Volkswagen. And even the same model has changed: many items which previously had to be ordered as options are today standard; further, fewer and fewer customers are ordering the most basic models--and additional accessories create more jobs. Thus, at Daimler-Benz, for example, the number of workers per car needed for special equipment installation alone increased by 50 percent over the last 10 years.

The increasing value of passenger cars is matched by that of the utility vehicles. Trucks and buses have also become more expensive, and the range of selections has broadened as well. And here, too, more heavy vehicles were produced.

In the opinion of VdA director Diekmann, this turn towards a more expensive car was unavoidable for the industry, and not only in order to maintain employment levels: "For in a high-wage country like the Federal Republic, one must concentrate on equally high-valued products; there is no other way one can survive in the world market." The lowest price and quality categories can then be left to the imports, for example, those from Japan, added Wolfgang Aurich, head of management and product planning for BMW.

To be able to produce higher-valued cars, increased efforts are necessary in research and development--again with positive effects on employment. In the past 10 years, Daimler-Benz, for one, has created almost 3,000 new jobs in this area; and the smallest, Porsche, still managed to add approximately 500 new personnel to its development division. Even in those sectors where research and production do not occur, more people found work. "During this period, we, as well as all the other firms, extended our warranty period, which in turn created more jobs in administration," explained Heinz Branitzki, head of finance for Porsche.

Even with stagnating production, all these changes in the product itself represent growth, according to VdA director Diekmann, "for as a consequence of these changes, the net product of this branch of industry has increased and thus its contribution to the gross national product as well." For the customer, these auto improvements mean not only higher prices but also a better utility value.

But all of this "qualitative growth" would not by itself have sufficed to maintain employment levels in the auto industry and among its suppliers, let alone extend them, in the face of stagnant production levels. In the last 10 years, an energetic movement toward greater efficiency has taken place. Increasing automation has caused the disappearance of numerous jobs.

A balance has been achieved only because more in the auto industry today work less. The provocative term "work time reduction" is avoided by the representatives of this branch of industry, it is true, but nothing less than such a reduction has occurred over the last 10 years. "The regulations concerning break time alone caused us to hire 50 more people in production," explains Porsche manager Branitzki. "Besides, the tendency to work overtime has diminished," says BMW planner Aurich, and this decline also signifies a reduction of work time.

At the Volkswagen Company, Georg Kugland, director of the central payroll office, calculated that "nine percent of work time was lost" due to the regulation concerning break time, the second phase of which was completed in September 1981. If automation had not continued, then the hiring of an additional 5,000 workers at VW would have been required. Further, vacation time for VW workers and for their colleagues in the other auto firms has increased in the last 10 years: today, each worker is entitled to 30 days of vacation a year, whereas a 20-year worker in 1972 had to be content with 19 days and even those with over 30 years could take only 24 days of vacation in a year. Ten days more vacation means approximately four percent less work performed and that in turn creates correspondingly more jobs for more people.

Beyond that, maternity leave has also increased since 1972, and in some states, one is entitled to educational leave--these, too, have reduced work time. Kugland believes, therefore, that "efficiency measures were necessary just to compensate for the loss of the individual worker's production time." According to the calculations of VdA director Diekmann, the actual number of work hours performed in the auto industry since 1970 has decreased approximately one percent per year.

Some additional work for German employees was also available because German auto manufacturers were able to supply extra parts to their foreign factories or to other firms beyond the borders. Thus VW engines are built into American Chryslers and Swedish Volvos; the VW factory produces 10,000 engines a day, of which 4,000 are exported. The effect on employment of this export trade in parts is, however, canceled out to a great extent by contrary developments: 10 years ago, VW, for one, sold in the U.S. cars which had been built exclusively in Germany; now assembly takes place in the U.S. The Ford Company of Cologne has ceased its exports of parts to the U.S. and now even imports engines from its sister firm in Britain.

So it is that, for the future, auto managers are looking more for an increase in the value of their products and an additional shortening of work time rather than an expansion of foreign deliveries. "By the year

2,000," foresees VW finance expert Kugland, "cars will require a third more components." "In 10 years," conjectures BMW planner Aurich, "electronic anti-lockup systems will be standard in smaller cars as well."

As for work time, Kugland foresees in the next 10 years "more part-time work, because employees desire more individualized work times, and that cannot help having an effect on production." VW work director Karl-Heinz Briam went so far as to speculate on the ZDF [Second German Television Network] program "Balance" about the possibility of contracts on annual work time. Furthermore, those in management are said to be considering offers of shortened shifts to their employees, naturally with a corresponding reduction in wages.

Higher-valued cars and shorter work times, believes Kugland, will see to it that, in the coming years, the auto industry in Germany will continue to employ about as many people as it does today--even with continued "no growth" in the number of units produced.

12330

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## PRIVATE INVESTMENTS DROP IN 1982

Athens MESIMVRINI in Greek 3 May 83 p 13

[Text] The decrease in investments in buildings and housing is the principal reason for the decrease in private investments both in 1982 and in the 1979-1982 period, according to National Accounting data, as shown by the following chart:

Gross Investments of Fixed Capital In Million  
Drachmas--1970 Constant Drachmas

CONSTRUCTION	1979	1980	1981	1982
Housing	31,572	27,290	21,546	19,738
Other Buildings	13,960	11,536	11,509	9,998
Other Works and Construction	15,351	12,892	13,373	12,679
Total Construction	60,883	51,718	46,428	42,415
EQUIPMENT				
Machines and Other Equipment	23,682	24,222	22,826	21,929
Means of Transportation	14,556	13,898	12,893	16,756
Total Equipment	38,238	38,120	35,719	38,685
TOTAL GROSS INVESTMENTS	99,121	89,838	82,147	81,100
Private	76,385	67,598	59,777	58,200
Public	22,736	22,240	22,370	22,900

More specifically, gross investments of fixed capital, calculated on 1970 constant drachmas, decreased by 1.3 percent--to 81,100 million drachmas--from 82,147 million in 1981, while they decreased by 18.2 percent in comparison with 1979. Private investments, always calculated at 1970 constant prices, fell by 2.6 percent in comparison with 1981, while they decreased by 23.8 percent in comparison with 1979.

Investments in housing have fallen 8.6 percent in comparison with 1981, and 37.5 percent in comparison with 1979. More specifically, from 31,572 million drachmas in 1979, they fell to 19,730 million drachmas in 1982

The increase in the public's investments applies to procurements of buses, and probably aircraft, during the above period.

## SOME DROP IN EXPORTS NOTED IN 1982

Athens MESIMVRINI in Greek 3 May 83 p 13

[Text] Exports in 1982 remained stationary in comparison with 1981 which was the worst year in the post-war period from an exporting point of view. This is revealed by the Panhellenic Exporters Association; it adds that exports of industrial products and raw materials showed a decrease, while an increase was noted in exports of agricultural products and petroleum products.

In addition, a small increase was seen in exports to the EEC and, more generally, to the developed western countries, as well as to the socialist countries, while exports to the Middle East and North Africa dropped appreciably.

More specifically, exports in 1982 amounted to 4,286 million dollars at current value, versus 4,294 million dollars in 1981; that is, they remained essentially stationary (a 0.2 percent drop). This level of exports is 17 percent lower than the 1980 level (although in 1980 fashion exports were not recorded). Without petroleum products, exports amounted to 3,841 million dollars versus 3,897 million dollars in 1981; that is, their value was 1.4 percent lower.

Contributing to a great degree to this unexpected negative development was the very unfavorable progress of exports in December. In that month, exports reached 290 million dollars versus 475 million dollars in December 1981; that is, there was a 39-percent drop which is only lessened a little (27 percent) if petroleum products are taken into account.

Exports of industrial products noted a six-percent decrease while agricultural products showed an eleven-percent increase. Exports of raw materials also noted a small drop (six percent) while the value of petroleum products increased (by 13 percent). As concerns the progress of exports by geographic area, a somewhat favorable development for exports to the developed western countries was realized. More specifically, exports to the EEC countries noted a seven-percent increase, and to the EFTA countries a 21-percent increase, while exports to the North American countries remained stationary (one-percent increase). There was a seven-percent increase totally in exports to the OECD countries. A small increase (four percent) was seen in exports to the socialist countries; however, if only the KOMEKON countries are taken into consideration, there was a five-percent drop. On the other hand, the progress of exports to the Middle Eastern and North African countries was particularly unfavorable; an eleven-percent drop was noted while literally a collapse (32-percent decrease) is seen in exports to the other developing countries.

9247

CSO: 3521/306

## WORKERS' SUPERVISORY COUNCIL IN MINING FIRMS

Athens TA NEA in Greek 2 May 83 p 1

[Article by TA NEA correspondent Pandelis Kapsis]

[Text] The announcement made yesterday evening, 1 May, in Mandoulion by Minister of National Economy Gerasimos Arsenis concerning creation of the first workers' supervisory council in the Evvoia mining firms is a decisive step for social control of strategically significant sectors of the national economy, such as mineral wealth.

This decision applies to the socialized "LARKO," the "Skalistiris Group" and a series of smaller mines; it aims at full supervision of these companies' activity.

In particular, the control to be exercised by the supervisory council acquires critical importance for dealing with certain activities of these companies related to the exports they realize, mainly with the delay in converting currency to drachmas or even with the illegal outflow of currency abroad.

At any rate, the significance of the announcement made by the minister of national economy yesterday--May Day--takes on special meaning since it was also underscored by Mr. Arsenis, speaking to the workers at the Skalistiris mines, that "the government, supported on the Greek people, is determined to proceed without hesitation to Greece's socialist transformation."

Actually, as government officials point out, Arsenis' announcement is implementing the PASOK government's commitment for the people's participation--that is, the workers' participation not only in decisions directly concerning them, but also in issues of planning and productive procedure.

In his speech to the workers at the Skalistiris mines, the minister of national economy himself stressed that, with the announcement concerning creation of the supervisory council, the third phase of the government's economic policy begins, which concerns elaborating the necessary institutional changes for the country's self-powered and balanced economic development.

As is underscored in PASOK's Declaration of Government Policy--which is also the "Contract With The People"--"self-powered development presupposes the workers'

decisive participation and exploitation of the scientific potential in order to eliminate the division between those who make the decisions and those who suffer the consequences of the decisions."

Participating in the supervisory council will be four state representatives, three representatives of the workers and three representatives of local self-government.

The supervisory council's activities are: supervising technical resources and the national wealth; promoting and coordinating production; securing sufficient financing; improving worker-employer relations; protecting the environment; and harmonizing private and social interests.

9247

CSO: 3521/306

## COORDINATION OF TRADE RELATIONS WITH EAST BLOC NEEDED

The Hague INTERNATIONALE SPECTATOR in Dutch Apr 83 pp 240-242

[Commentary by C.J. Blankenburgh, political scientist and former editor and correspondent for TROUW: "Economic Relations with the East Require Reorganization in the West"; passages enclosed in slantlines, printed in italics]

[Text] C.J. Blankenburgh is a political scientist; for a number of years, he worked as foreign editor and staff correspondent for the newspaper TROUW, and is currently a researcher with the Ministry of Foreign Affairs. The content and conclusions of this article are the sole responsibility of the author.

A series of negative experiences in economic relations with the Eastern Bloc, combined with increased political conflicts, have led to a critical reevaluation in the West of economic relations with the Eastern Bloc. S. Glastra has outlined a number of frictions relative to East-West trade.<sup>1</sup> He has pointed out that on the Soviet side, East-West trade is dominated by politics, whereas on the Western side the economy is usually given precedence. There are differences in the rules of the game and in the goals, which are not sufficiently recognized in the West, and which require better organized relations between economics and politics in the West and the creation of equal opportunities in East-West trade relations by accepting a few rules and taking a few measures.

Glastra's remedy remains rather general and vague, but seems to be based on a plausible analysis. The intent of this article is to pursue this road further and to achieve greater precision concerning the remedy by adding complementary data and insights.

During the period of detente (about 1965-1980), economic relations between East and West were expanded greatly. Commercial traffic was intensified, substantial Western loans were granted, and individual Western entrepreneurs came in regular contact with, among others, their Russian partners, representatives of the state trade organizations in the Soviet Union. These relations were dissimilar in two respects.

1) At the business level, Western company representatives were dealing with negotiators from a Soviet state organization; at the government level it often involved a confrontation between Western negotiators who negotiated in the

name of their government, but in fact in the name of their Department of Economic Affairs, which in turn protects the interests of the national business community, and on the other hand Soviet state representatives.

Given the nature of the Soviet system with its rather strong centralism and the more decentralized structure of the Western government machinery and its loose relationship with its divided business world, it can be expected that, at least in theory, the Western partners would be facing a better coordinated Eastern negotiating partner. The fact that this is not just theory is illustrated by Kissinger in his memoirs, where he tells about the American-Russian grain transaction in 1972:

"The Russians... quickly took advantage of the competition between our grain companies. They gave us a lesson in the handicaps of a market economy in negotiations with a state trade company. Each of our grain companies, which tried to steal a market from its competitor, sold the highest amount possible and kept its sales absolutely secret, even from the American government. It was only several weeks later that we realized that, through a series of separate transactions, the Russians had bought nearly \$1 billion worth of grain in 1 year -- nearly our total stockpiled surplus. And we had subsidized the transactions at a time when the Soviet Union literally had no other choice than to buy our grain at market prices or else to face mass starvation. It was painful to realize that we had been outmaneuvered, and even more difficult to recognize that the methods with which this advantage was achieved were the methods of an astute businessman, who had skilfully made use of our free market system..."<sup>2</sup>

Another illustration of a problem in Russian state negotiations with individual Western companies and countries involves the contracts for the supply of Siberian natural gas to West European countries. In this regard, Cheeseright, Done and Dodsworth wrote in the FINANCIAL TIMES in October 1981, among other things, that the Russians have learned a great deal about the functioning of several Western companies and subcontractors and that they now have an insight into what they want in the technical area and what they have to pay for it. But the Soviet authorities have also learned to read company balance sheets, as a result of which they were aware of the profit effect for the companies of trade with the Soviet Union in the early stages of the development of Siberian-European natural gas pipeline. The article further provides details on Moscow's separate negotiations with the various Western companies in the various Western European countries.<sup>3</sup> A third illustration involves the attempts by Eastern Bloc countries to force Western companies to conclude barter transactions. This counter-trade barter system was written about more comprehensively by De Miramon of the trade department of the OECD, who strongly warned against this, and who pointed out that such practices would introduce elements of inequality which would be detrimental to OECD exporters.

2) Eastern Bloc economic relations do not, as in the West, primarily serve a commercial-economic goal (optimization of profit, maintenance of the enterprise), but primarily political goals.

As an illustration, one could first of all refer to the new Soviet leader Andropov who, in November 1982 in a speech to the Central Committee of the

CPSU [Communist Party of the Soviet Union], noted that growth of the economy and a rise in the standard of living are "our internationalist duty," after which, quoting Lenin, he added: "We exert our most important influence on the world revolutionary process through our economic policy."<sup>5</sup> This remark fits in with the proposition advanced by Brezhnev at the 25th party congress of the CPSU in 1976: "In foreign economic relations, politics and economics, diplomacy and commerce, industrial production and trade are intertwined."<sup>6</sup> In an article in the April 1979 issue of NEW TIMES, the first deputy minister for foreign trade of the Soviet Union, Ivan Semichastnov, added that these foreign economic relations "form the material basis for the policy of peaceful coexistence with capitalist states," that they help the developing countries to free themselves from "neocolonial dependence," and that they promote socialist economic integration within CMEA and "consolidate socialist society."<sup>7</sup>

The relationship between politics and economics was handled most comprehensively by the Russian Minister of Foreign Trade Nikolay S. Patolichev, during an interview in August 1969 published in IZVESTIA. At that time, he noted: "Economics and politics are closely tied to each other. Under certain circumstances, an improvement of political relations will lead to the expansion of economic ties between the states. But it also happens that the establishment of normal trade leads to a better political atmosphere. Our foreign economic relations are no exception to this. On the one hand, they are a component of our foreign policy and, on the other hand, an active lever in its implementation. Our enemies sometimes try to convince world opinion that the Soviet Union is pursuing far-reaching political goals through the development of trade relations. As a matter of fact, we are pursuing certain goals, specifically: peace, friendship and the development of a many-sided cooperation among nations. Therefore we make no secret of it, but we openly stress the fact that our economic relations with other countries not only make the solution of economic problems easier, but that they also serve the goals of our peace loving foreign policy."<sup>8</sup>

These Soviet statements have an ideological character. They could be taken as policy predictions or dismissed as the usual rattling of the prayer wheels. Regardless of the position one takes, it can be concluded that politics and economics are much more closely integrated in the Soviet Union or the Eastern Bloc countries than, for example, in the United States or in West European countries with all the mutual variations in their political-economic systems. In the Soviet Union, the party, which is in command, prevails -- even in the economic area. Even more than in the West, economic actions in the Soviet Union and the Eastern Bloc countries are directed toward political goals, such as: (a) the establishment of world communism, and/or (b) the maintenance of the Soviet Union, whether or not with the addition of the countries of the "socialist community"; and/or (c) the acquisition, at the international level, of as strong as possible a political and economic position in behalf of (a) and/or (b), in competition with countries and blocs with a different political-economic system; and/or (d) adequate material care of the citizens. To put it in a cynical-relativist way, all the above mentioned political goals could be seen as a derivative of the main goal of the Soviet/Eastern Bloc leaders, specifically the maintenance and, if possible, the expansion of their position of power, as the Russian Voslensky stressed in his book on the /nomenklatura/.

Thus, economic relations between Western countries and the East are under Eastern pressure in at least two respects:

1) The blending of politics and economics in the East confuse economic relations between East and West. With regard to the East, Western countries operate analogously with their economic relations with other Western countries, where purer economic standards and game rules apply and where, at the national or enterprise level, an increase in prosperity or income come first. More general foreign policy goals are less dominant and form rather an overall margin. From a recent argument made by Andropov in the journal *KOMMUNIST*, it can be deduced that in the foreseeable future the Soviet Union will also pursue a closely integrated political-economic policy; his published views do not appear to be of a much less orthodox Marxist-Leninist orientation than those of his predecessors.<sup>10</sup>

2) More decentralized Western authorities and branches of industry will continue to face Eastern discussion partners, who represent a monolithic, strongly centralized state organization, and who got their experience with Western partners and authorities during the period of detente. The actions of the Eastern partners during economic negotiations should be seen against the background of problems in the Soviet economy and of serious problems in the other East European economies.<sup>11</sup> This will stimulate, if only for economic reasons, a tougher stand in order to obtain optimum profits, politically as well as economically.

Traditionally, the Soviet Union has been aiming at close economic integration, in addition to political integration, of the East European countries with regard to the USSR. This is being done on the basis of the concept of "socialist internationalist integration," analogous to the model of the policy of integration of the various nationalities through, among other things, the setting up of territorial production complexes.<sup>12</sup> Ever since the seventies, Moscow has also been trying to stimulate the East European countries primarily to participate in joint infrastructure projects, as a result of which the individual socialist countries are increasingly linked with each other and are becoming indissolubly interdependent.<sup>13</sup> With regard to developing countries, the Soviet Union also seems to want to develop interdependencies, analogous to the model of a state-multinational, with the USSR as parent company and East European and developing countries as "daughters."<sup>14</sup> Which means that Western discussion partners, especially when they represent a smaller country or an individual business, are dealing with partners who represent a comprehensive, widespread and internationally operating state organization, with its inherent experience, know-how and concentration of information about its own organization and that of the opposing party.

The above quickly leads to the final conclusion that there is a challenge of inequality and dissimilarity in economic relations between East and West, which needs a response. In this regard, solutions could first of all be sought in the organizational area, assuming that the existing organizations and fairs are not adequately equipped, particularly because of a lack of data concerning the way the East operates. A few options which deserve to be considered:

1) Coordination of economic relations with state trade countries by the government, in dialogue and close consultation with business and industry. This means, in fact, a national approach using state trade against state trade or the setting of state-economic contacts against state-economic contacts. Government bodies or representatives would then function as discussion partners for Eastern Bloc countries in economic matters, and also do this in the name of business and industry. This would require an optimal willingness to cooperate on the part of businesses which trade with the East, a pooling of information in a government body -- including internal company data -- insofar as it is relevant to economic transactions with the Eastern Bloc. The writer lacks the expertise to develop this possibility in terms of its organizational aspect. It is -- like the other options -- only an indication of another course.

2) National coordination of economic relations by a special institute, to be established by enterprises who conduct trade or conclude economic transactions with socialist countries, in which the government should participate in terms of the political contribution. Such a basically private institute should bring political as well as economic knowledge, experience, know-how, etcetera, together on one specific point. The participating entrepreneurs would be required to provide reciprocally optimal information about their pending and concluded transactions with Eastern Bloc countries, as well as about their experiences with the East. A staff of both politically and economically trained Eastern Bloc experts should be attached to this institute; it should also be possible for this staff to include government officials, for example, on secondment.

3) Coordination of economic relations at the OECD, Atlantic and/or European (EC) level, according to the variants under 1) or 2). For the time being, this multinational option would seem difficult to achieve, especially considering the national conflicts and fear for one's competitive position with regard to other countries and enterprises. This option could be gradually promoted via 1) and 2).

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8463

CSO: 3614/101

## MEMBERSHIP IN AFRICAN DEVELOPMENT BANK ANNOUNCED

Lisbon O DIA in Portuguese 20 Apr 83 p 4

[Excerpt] Secretary of State for Planning Alberto Regueira announced yesterday that Portugal is going to subscribe to 1,008 African Development Bank (ADB) shares for 1.2 million contos.

After Prime Minister Pinto Balsemao met with the ADB's Zairian secretary general, Morisho Yuma, Regueira told the press that these shares are equal to 0.3 percent of that bank's total capital stock and 0.9 percent of the part allotted to non-African members. Following the technical negotiations that ended yesterday in Lisbon, Portugal's membership will have to be unanimously approved by the ADB's and the African Development Fund's (ADF) next annual council of governors meeting which is to be held in May in Nairobi.

The next Assembly of the Republic will have to approve the membership. After this occurs, a Portuguese government representative will sign a copy of the ADB's statutes which is deposited in New York.

Portugal's already existing membership in the ADF and its forthcoming membership in the ADB is considered to be "of the greatest importance to the nation" by specialists because from now on Portuguese firms will be able to compete in all ADB financed international contract bidding.

Before the ADB delegation left the prime minister's official residence for subsequent meetings at the foreign ministry and the office of the president, Alberto Regueira underscored that Portugal has firms experienced in African markets, particularly in consulting work and heavy metalworking projects.

Secretary General Morisho Yuma told the press that the recently negotiated membership confirms "Portugal's participation in the industrialized world that is interested in Africa."

The ADB's Secretary General also emphasized the importance this membership has in furthering closer relations between Portugal and Africa, particularly with the five African countries whose official language is Portuguese.

Yuma was accompanied by Minister of State, Finance and Planning Joao Salgueiro to the meeting with Gen Ramalho Eanes.

## TRADE DEFICIT RISES IN 1982

Lisbon O JORNAL in Portuguese 29 Apr 83 p 1

[Excerpt] According to provisional data from the National Statistics Institute [INE], Portugal's trade balance posted a 417.1 million conto deficit in 1982. This figure is the difference between 331.9 million contos (FOB) worth of exports and 749 million contos (CIF) worth of imports.

The deficit worsened by 18.5 percent in comparison with 1981. Imports increased 23 percent (609 million contos in 1981) and exports 29.2 percent (256.9 million contos).

It should be noted that 1982 was considered to be the year of exports by the government. A real 7 percent increase in exports was initially forecast and this, according to the figures made public by the State Secretariat for Exports, was surpassed. The escudo denominated increase was 8 percent.

However, the value of exports decreased slightly when expressed in dollars, showing a drop in the unit value.

According to the ICEP's [Foreign Trade Institute] EXPORTAR magazine, by expressing Portuguese foreign trade in dollars we see that exports totaled \$4.09 billion in 1982, 1.9 percent less than the \$4.17 billion in 1981.

There was also a 4.4 percent drop in imports (CIF). These went from \$9.9 billion in 1981 to \$9.46 billion in 1982.

There was a 6.5 percent improvement in the trade deficit (expressed in dollars); it went from \$4.8 billion to \$4.49 billion.

Returning to the INE furnished figures, we see that exports covered imports by a 44.3 percent rate in 1982. This represents a perceptible increase over 1981's 42.2 percent which, all in all, was less than 1980's 49 percent.

The trade deficit reached 247.1 million contos with OECD countries. This was the result of having imported 518.4 million contos worth of [goods] and exporting 271.3 million contos worth of goods.

## EEC Absorbed 57 Percent of Exports

In 1982, the value of Portuguese exports to the EEC was 190 million contos (57.3 percent of total exports), 52 million more than in 1981.

Imports from EEC member countries were 304.5 million contos (40.7 percent of total imports). This represents a 70.9 million conto increase over the same period the year before.

The trade deficit with the EEC was 144.4 million contos, which represents an 18.7 percent increase over 1981.

Of all the EEC countries, the highest trade deficit occurred with the FRG (45.3 million contos) with imports totaling 88.3 million contos and exports 43 million contos.

The FRG continued to be Portugal's leading supplier worldwide and the United Kingdom, where goods worth 49.2 million contos were exported, remained the main buyer.

Denmark was the only EEC country with which Portugal had a positive trade balance (1.6 million contos).

Portugal has a 10.8 million conto trade deficit with the EFTA countries resulting from importing 51.3 million contos worth of goods and exporting [only] 40.5 million contos worth.

## Decrease in Exports to Angola

In 1982 Portugal exported goods worth 16.5 million contos to former escudo zone countries. This represents a decrease of 14.6 percent below the 1981 total in which 19.4 million worth of goods were exported.

This reduction was greatly influenced by the evolution of trade with Angola. Portugal exported 13.8 million contos worth of goods in 1981 and 6.7 million contos in 1982 to Angola.

Portuguese imports from this group of countries totaled 3.3 million contos in 1982 (2.6 million in 1981). This resulted in a positive trade balance for Portugal of 13.2 million contos as opposed to 16.8 million in 1981.

Portugal had a 32.8 million conto deficit in its trade with Spain, which is the same as in 1981.

Imports from Spain were valued at 44.6 million contos (40.1 million contos in 1981) while exports were 11.8 million contos (7.3 million in 1981).

9935

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## DAMAGE BY INDEFINITE PSOE POLICIES; LABOR SUPPORT SLIP

Madrid YA in Spanish 4 May 83 p 7

[Commentary by Salustiano del Campo]

[Text] Alfonso Guerra is a man who fights back, Felipe Gonzalez one who seeks solutions. Solutions to everything, and with good intentions, as we have recently seen, for, after telling several newspaper editors that the PSOE is going to govern for the rest of the decade, the prime minister revealed at a UGT meeting on 1 May that "in our second 5-year term of office, the unions and entrepreneurs will be called upon to negotiate an economic recovery plan to deal with industrial reconversion, reinvestment in the most promising sectors and reform of the structures necessary to facilitate a solution to the crisis." Anyone can see that dealing with these matters is essential to our future and also that the groups mentioned have to talk to each other; but no one is unaware that such a meeting cannot be set up in two weeks, because it requires conscientious and positive preparation. This country's problems cannot be solved by informal get-togethers--any more now than they could have been under the UCD administration. Nor can it be said that the Planning Committee headed by Miguel Angel Fernandez Ordonez is seriously working on a 4-year plan, because the committee has only met twice and its working groups have been functioning less than a month, and all that has been produced so far is a list of priority problems, which is nothing new and hardly justifies 5 months' effort by an entire government department. One has the impression that Felipe Gonzalez suddenly asks for something and, since he gets neither adequate information nor adequate advice from his advisors or from the administration, acts according to his own intuition; similarly, that he is a poor organizer and his own political plans are vague. He does not find it strange that the secretary general of the CEOE (Spanish Confederation of Business Organizations) has replied to his proposal that "the entrepreneurs cannot commit themselves to negotiate a 4-year economic plan until the government makes clear what its goals and scope would be. So long as this is not known, we entrepreneurs can neither make a formal commitment nor prepare studies that would enable us to go to the meetings with serious, exact proposals."

But there is, in addition, another aspect of present-day developments that should not be passed over in silence. This is the erosion of popular support for the Socialists, just at the moment in which they are proclaiming

their victory more loudly than ever. The disparity between the number of persons at the Madrid demonstrations organized by the Workers Commissions and the number of those at the UGT demonstrations must mean something. The prime minister has installed himself in Moncloa Palace and is trying personally to confront the opposition in Parliament while bringing himself close to the people, pursuing in this the same objective as his worthy predecessor, Adolfo Suarez: to play the role of a second head of state, as my illustrious neighbor on the ground floor has so aptly remarked. Still more serious is the irritation and loss of composure evinced by the deputy prime minister, who, in a hasty moment, uttered sheer nonsense. We Spaniards all understand what it means when Herri Batasuna hecklers in Vitoria seek to discomfit a Socialist speaker, especially one occupying the position Guerra does. Nevertheless, he lost the sympathy of many when he tried to encourage the government supporters in his audience with the following words: "You should all be behind the government, because this--good or bad--is your government. If you do not back us, there can be no expropriations here." Such nonsense contrasts so strongly with Prime Minister Gonzalez' invitation to the entrepreneurs that it would seem the time has come for the two leaders to put an end to this Dr Jekyll and Mr Hyde act, of which we have already seen enough. Granted that an electoral campaign justifies many things, Gonzalez and Guerra are now in power and should try to win supporters without putting beyond the pale those who have other political preferences. This applies to the implicit promise that expropriations will not be isolated events, because in saying that only a Socialist government, "good or bad," can effect them, the author of the statement took the Spaniards for fools. Here, as elsewhere, people want to see prosperity and to live decently, and no amount of radical talk can substitute for effectiveness.

12336

CSO: 3548/404

## SVEN WALLGREN NAMED NEW INDUSTRY CONFEDERATION CHAIRMAN

Stockholm SVENSKA DAGBLADET in Swedish 4 May 83 p 21

[Article by Sophie Petzell and Lars-Georg Bergkvist: "New Chairman of Confederation of Swedish Industries Says No to Funds, Lower Taxes and Less Bureaucracy"]

[Text] "Now the Swedish people have accepted the idea that industry needs profits. The next step will be the insight that the wage-earner funds should not be introduced, that taxes must come down and that the bureaucracy must be cut back," said the newly elected chairman of the Confederation of Swedish Industries, Sven Wallgren.

During Hans Werthen's 4 years as chairman of the industry confederation, the confederation pushed the questions of energy conservation and profitability with special emphasis.

"It was a good job. I think we have come very close to the government's writing into its financial plan that industry's profits must increase," said Sven Wallgren.

"Now the next step must be to state the owners' and the companies' terms. The Social Democrats would prefer to have rich companies but not rich businessmen. It does not work that way."

Sven Wallgren prefers to talk at length about contractors: "Businessmen who conduct businesses through work and desire."

He has himself made his career in that environment. First 15 years at Akerlund and Rausing and 5 years in STAB, and since 1973 as vice managing director and managing director of Esselte--the big firm which really is a collection of small and middle-sized firms.

Sven Wallgren believes that the founder of Gambro, Holger Crawford, is Sweden's biggest contractor.

'A Lot of Fun'

"I asked him about Tetra Pak, and how he would feel if it went to the dogs. He answered, 'If we start with nothing and finish with nothing, at least we have had a lot of fun in the meantime.' Picture of a contractor."

Sven Wallgren believes that the firms stand before a new and growing optimism in today's Sweden.

"The pendulum is about to swing back. Industry is no longer full. There was a period when it was difficult to get people to take the top jobs in business. It is no longer like that," said Sven Wallgren.

"The Swede is well educated. He and she will make their own decisions. The large collectives fight against the passage of time, which is going to stop plans for collective wage-earner funds," said the newly elected chairman convincingly.

"Opinion polls show that 74 percent of Swedes are against the wage-earner funds. A political party cannot go against the will of the people without being punished."

Away with the funds--that is the first point on the three point program for business that Sven Wallgren is describing. Reduced marginal taxes is the second.

#### Marginal Taxes

"Marginal taxes must go down to 50 percent--the European standard. As it is today it is difficult to pay people who do something over the ordinary. And that applies most of all to contractors.

"Jacob Wallenberg used to say that it must be wrong when people must give up more than half of what they earn to somebody else. I agree with that," said Sven Wallgren.

"It is degrading when a fine old industrial nation like Sweden is not self-supporting and must borrow abroad for its maintenance," he said.

There are only two ways out of that: increased production volume or increased prices, meaning a restructuring of industry to get increased manufacturing.

"In Sweden's case a combination of those is needed," said Sven Wallgren. "And that requires creation of new goods and services such as--third point on the proceedings--that the bureaucratic pressure on business must be eased.

"That applies to such things as building ordinances and environmental regulations. We must think that we are doing well when we continuously sharpen

environmental demands on industry. But that makes it very difficult for Swedish business to compete with foreign firms of similar nature. Sweden should instead act to get international conventions in force," he said.

A basic precondition for Swedish firms competitive ability to really get better, however, is that the economic policies must be strengthened and in part rearranged.

#### Devaluation Good

"Devaluation was good. But since then a number of measures have taken back most of the positive effects. The 5-month-long price freeze was the most serious. That hit hard against the profits of many businesses. Even very small price increases can be of decisive importance.

"On top of that come the profit taxes and the increase in employer fees."

A decline of the fiscal part of the employer fees is one of the main demands which business representatives are taking with them to the Harpsund meeting.

Preconditions for an improved economic policy are good, according to Sven Wallgren:

#### Inflation Fighting

"It is obvious that the Social Democrats believe that strong industry is a precondition for economic recovery.

"Fighting inflation was one of the main points during last year's Social Democratic Party congress. It was commendable, even if the question was later shoved aside by the employment problem."

Sven Wallgren considers it vital that Sweden now gets the inflation rate down when prices abroad are so drastically declining. And that is seen by both the leadership of LO [Federation of Trade Unions] and the Social Democrats.

"It is a hopeful sign that Minister of Finance Kjell-Olof Feldt has already explained that wage increases next year must also be very small."

Sven Wallgren sent his own message to the top meeting at Harpsund today: It must be easier for Swedish businesses to invest abroad.

"It is a misconception that Swedish direct investment abroad makes less jobs here at home. On the contrary. Several investigations have shown that investment abroad generates more jobs here."

## Investment Abroad

"Businesses must have increased possibility to use their capital generated in Sweden for investment abroad, instead of taking out expensive foreign loans.

"It is not true that this means the flight of capital," said Sven Wallgren. "No firm can reasonably send more money out of Sweden than what they take in. That would impoverish the mother company."

He also reacted strongly against the thought that a business should be forced to deal with bureaucrats to use its capital for investment abroad. The so-called direct investment committee is going to get a hard opponent in the industry confederation when it presents its final report this summer.

9287

CSO: 3650/184

## BRIEFS

MERCHANT MARINE DECLINES FURTHER--Within a few years over half of the Swedish shipowners' gross income will be earned with foreign ships. This prediction was made by the managing director of The Shipowners Association, Gunnar Hogberg, during Maritime Week in Goteborg on Friday. At the beginning of the 70's, 75 percent of the gross income was earned with Swedish flag tonnage, and 25 percent with chartered foreign tonnage. Today the corresponding figures are 60 and 40 respectively. Hogberg said that all indications are that developments will continue in that direction. When the Swedish merchant fleet was the largest in 1975 it included 600 ships with a total of 13 million deadweight tons. Today it consists of 480 ships of 3.6 million tons. The Swedish merchant fleet's share of world tonnage has declined from 2.5 to 0.4 percent. The increased politicizing and governing of shipping is going to make it more difficult for small maritime nations like Sweden to maintain their share of the market, said Hogberg. "A Swedish merchant fleet of sufficient size is necessary to maintain our knowledge and initiative," he pointed out. [Text] [Stockholm DAGENS NYHETER in Swedish 7 May 83 p 10] 9287

CSO: 3650/184

## COMMENT ON ECONOMIC COURSE IN NEW POLITICAL PERIOD

Istanbul DUNYA in Turkish 28 Apr 83 p 1

[Text] Efforts to form political parties suddenly pushed economic events into a back seat on the agenda and in the press. Yet, important economic events such as changes in the banks law, the SEE [State Economic Enterprises] reform decision, Turkish-EEC talks, and the acquisition of \$200 million in moderate-term credit from monetary markets, which filled newspapers until only recently, are taking place and are making progress.

In appearance, the revision of the banks law, which has a structure that broadens the public's opportunities for intervention, runs counter to the philosophy of the 24 January decisions. However, those in the upper administrative ranks of the Ministry of Finance, who are the ones persistently following up on the changes, characterize this impression as "deceptive." According to them, what is being done is to develop institutional foundations for the 24 January philosophy. In other words, what is being sought is to bind the use in a "market economy" of domestic financing resources, which have become scarce due to the tight-money policy, to written guarantees.

There is no doubt that the changes envisioned within this framework by the Ministry of Finance are more definitive and detailed than those exemplified in western nations that are committed to a market economy. Those at the upper level of the Ministry of Finance administration can also attribute this to the lack of an established tradition in Turkey in respect to rules of a market economy. In this case, the public administration will have been assigned the function of putting a market economy into application using written assurances.

In fact, the decision with the power of law that implies SEE reform also brings the efforts of public organizations in accordance with market rules under the jurisdiction of written rule. In this way, other than public organizations such as transportation and communications that are implicitly communal, businesses that are in the hands of the state and that make up approximately half of the Turkish economy will be able to work within the rules of a market economy and to set prices freely. Special exceptions, such as compensating for losses that are incurred within the following fiscal year at the latest, will be possible through a condition that unites administrations. In short, in the new structure, the state will be involved in the development of the market economy tradition with its own operations.

It appears that the Fifth 5-Year Development Plan will be an important tool in the institution of the rules of a market economy through the hands of the public. Preparations for the fifth plan manifest a quality very different from the preparations for the four preceding plans. It is clear that there are several experts whose exercises are related only to themselves. There is no specific strategy and, within this framework, no obvious unity.

In contrast, a broad "administrative investigation of the economy" will be made in June by Turkey and the World Bank. This work will, undoubtedly, form the basis for the fifth plan within the framework of models developed by the World Bank under the names, "calculable general balance" and "minimum standards."

It is true, too, that it should not be considered augury to predict that the fifth plan will be based on the market economy philosophy. What bears significance here is that Article 166 entitled, "Planning," of the 1982 Constitution is more comprehensive and harmonious than Article 120 of the 1961 Constitution.

The new institutional structures that are based on legal foundations and that are outlined here put unwavering public support behind implementation of a market economy. Too, there is no doubt that an element that will determine the return to democracy on schedule is this choice of a market economy.

11673

CSO: 3554/274

## STATISTICAL REVIEW OF EXPORT BALANCE, MARKETS

Istanbul DUNYA in Turkish 28 Apr. 83 p 5

[Article by Prof Dr Selahattin Tuncer]

[Text] The SSI [State Statistical Institute] has published within the past month data regarding Turkey's exports, and these figures have been inspected and evaluated in various circles. We wish to speak of structural changes in exportation in the light of these statistics.

## I. General Survey of Exportation

A general summary of Turkey's exportation is given in Table 1 with figures comparing 1981 with 1982.

Table 1  
General Survey of Turkey's Exportation

<u>Number</u>	<u>Exports by Types of Goods</u>	<u>1981</u>	<u>1982</u>	<u>Percent Change</u>
I	Agricultural and animal products	\$2,219,400,000	\$2,141,200,000	-3.5
II	Mining products	193,400,000	175,300,000	-9.4
III	Industrial products	2,290,100,000	3,429,400,000	+49.8
Total		4,702,900,000	5,745,900,000	+22.2
	Imports	8,933,400,000	8,734,400,000	-2.3
	Foreign trade deficit	4,230,500,000	2,988,500,000	-29.4

Source: Revised from information obtained from SSI bulletins.

Looking at the general survey of our exportation and at exportation by types of goods, we find it beneficial to emphasize the following points.

[A.] Turkey's exportation is increasing rapidly. Although importation rose by 70 percent in 4 years, exportation grew by 154 percent. Whereas the rate of increase from 1979 to 1980 was 28.7 percent, exportation jumped by 61.6 percent from 1980 to 1981. Achieving an increase in exportation of more than 60 percent is something to boast about. However, the rate of change between 1981

and 1982 was 22.2 percent. This means that the rate fell in 1982. Monthly export figures show that this stagnation is continuing in 1983. In this respect, the reduction in the rate of growth in exportation and a decrease in the volume of exportation are very important subjects to be scrutinized. This is because a slowdown in the pace of exportation is a sign of danger for countries at the level of development that Turkey has attained.

[B.] Within the last 10 years, there has been an extremely rapid change in respect to types of goods exported by Turkey. The proportion of agricultural and animal products we export is falling continuously, and, in contrast, both the quantities and the proportion of industrial products exported are increasing steadily. Citing examples, we see that, while industrial products made up 35.9 percent of our exports in 1980, they consisted of 48.7 percent in 1981 and 59.7 percent in 1982. However, exports that include minerals and stone quarry products are decreasing both in actual volume and in percentage.

## II. Export-Import Ratio

When making a statistical analysis of Turkey's exportation, it is necessary to examine the degree to which importation is met by exportation. First, we must state that, apart from workers' foreign exchange, foreign credits, and tourism revenues, foreign exchange from exportation is the most important item that finances importation in Turkey. In this regard, the import-export ratio emerges as an important issue.

Going back a little in time, we present in Table 2, which includes the years 1976 through 1982, the percent that exportation has covered importation.

Table 2  
Exports: As Percent of Imports

<u>Year</u>	<u>Percent of Imports</u>
1976	38.2
1977	30.2
1978	48.8
1979	44.6
1980	38.0
1981	52.6
1982	65.8

Explanation: The figures for 1982 are given in Table 1.

It can be understood, from examination of the table, that there was a notable improvement over the preceding year in import financing, which reached \$8,734,400,000 in 1982. According to calculations that were made, the percentage of importation covered by exportation, which totaled \$5,745,900,000 in 1982, rose to a significant level -- from 52.6 percent in 1981 to 65.8 percent in 1982. Besides a 2.2-percent reduction in 1982 in importation, we can say that the 22.2-percent increase in exportation was a factor in this important development.

It is useful to state that, when comparing 1982 with the 1970's, we see that exportation has begun to play an important function in financing imports and that, from this standpoint, the figures for 1982 are meaningful.

### III. Distribution by Region, Nation

Distribution in 1982 of our exports by region and by nation is shown in Table 3 and Table 4.

Table 3  
Distribution of 1982 Exports by Region

<u>Number</u>	<u>Region</u>	<u>Amount</u>	<u>Percent</u>
I	OECD countries		
	A. EEC nations (excluding Greece)	\$1,607,900,000	28
	B. Others	920,300,000	16
	[Subtotal]	2,528,200,000	44
II	Soviet nations	344,700,000	6
III	Other nations	2,873,000,000	50
	Total	5,745,900,000	100

[A.] One of the structural changes in our exportation is seen in distribution of exports by region. In the years following 1979, Middle East and north African nations began to take the place of OECD nations. We can call this a trend toward a change in direction of our exportation.

In 1977, the OECD countries' share in our total exports was about 70 percent. This percentage decreased by an average of 3 points a year for the next 2 years and fell to 64 percent. At the end of 1980, it was 58 percent. As can be seen when examining Table 3, the OECD nations' portion of our total exports had declined to 44 percent at the end of 1982. Purchases by the nine EEC countries -- not including Greece -- had fallen from 55 percent to 28 percent by that time. Some writers interpret Turkey's being severed from the standpoint of trade relations from the western world as a dangerous development.

The share of Russia and other eastern-bloc nations in our exportation has also fallen steadily. Whereas 15 percent of our exports were sold in 1979 to these allies, this figure decreased to 6 percent in 1982.

As can be ascertained from these statements, while Middle East and north African nations purchased 36 percent of our exports in 1980, there was a very rapid rise in 1982, with these countries buying 50 percent of our exports. Some economists do not look upon the dominant place of Middle East and north African countries in our exportation and the continuation of this trend as a good development because of the instability in the region. However, in the face of the EEC nations' actions against textile and woven goods and their very unfriendly attitude, it is necessary for Turkey to react by looking for new markets. It is necessary to risk that new markets and new countries will make waves in our exportation.

[B.] Distribution of our exports by country also presents an interesting view. Examination of Table 4 will give an idea of this.

Table 4  
Distribution of 1982 Exports by Nation

<u>Rank</u>	<u>Nation</u>	<u>Amount</u>
1	Iran	\$791,100,000
2	West Germany	707,400,000
3	Iraq	610,400,000
4	Saudi Arabia	357,900,000
5	Italy	327,500,000
6	Switzerland	323,900,000
7	United States	251,600,000
8	Libya	234,600,000
9	France	194,800,000
10	England	189,000,000
	Total	3,991,900,000

The number of countries to which we exported in 1982 was 153. However, as can be seen in the table, 70 percent of these exports were directed to only 10 countries. The remaining 30 percent was carried out with 143 different nations.

For years, the purchaser of the largest amount of our export products was West Germany. As a result of the great change that occurred in 1983, West Germany lost this distinction to the Islamic Republic of Iran, which took over first place. As a result of a series of difficulties between the two nations, trade relations with Libya declined. Consequently, exportation to Libya decreased by 47 percent, falling to \$234,600,000.

#### Interpretation, Conclusion

Exportation continues to be the number-one problem in Turkey. We have attempted to evaluate and examine critically the statistical data for 1982 to the degree allowed in the space we have. If it is necessary to extract a conclusion from these figures, it is that Turkey's exportation is making progress at a cost of great sacrifice. This rate of development declined in 1982 when compared with the preceding year. The continuation of this decline in 1983 as well creates various anxieties. In fact, State Planning Organization officials stated that the reduction to \$7.1 billion of the amount placed in the 1983 program stems from the concern that exportation will fall to some degree. Likewise, they reported that the export goal of \$6.1 billion for 1982 could not be achieved because of reductions in agricultural prices by as much as 30 to 40 percent.

Turkey's export volume of \$5,750,000,000 in 1982 is a result that cannot be disparaged when compared with that of preceding years. This amount, however, cannot be considered sufficient. From the standpoint of the resources Turkey possesses, it is imperative that export volume rise to a level equivalent to about 15 percent of the national income -- to \$15 billion. It is necessary to design goals and plans for the years ahead accordingly.

## DEBATE FOCUSES ON DURATION OF EXPORT FALLOFF

Istanbul CUMHURİYET in Turkish 4 May 83 p 9

/Article by Meral Tamer: "Export Falloff Expected to Last at Least Another 1-2 Months" /

/Text / It looks as if the fall-off in exports, noticed for the first time in 3 years last February, will last at least another 1-2 months.

Leading exporters say that the main reason for the fall-off in February was Iraq, and that the export figures for March for trade with Iran are lower than the March 1982 figures because of one month's void in trade with Iran. As to estimates of export figures for May and beyond, there are important differences of opinion among exporters.

Some exporters consider the delay in drawing up trade protocols with Iran and Iraq the main reason for the export fall-off. Those holding this viewpoint argue that now that trade protocols have been signed with the two nations mentioned above, and now that the Central Bank is again giving export re-discounts regularly since the beginning of April, the targeted rate of increase for this year's monthly exports will be achieved, starting with May.

Serif Egeli, a negotiator for ENKA Marketing, says: "There are two big reasons for the export fall-off. The first of these is the delay of one month in finalizing trade agreement with Iran. That is, the creation of a gap of one month in trade with this nation. Since now this agreement is in effect between the two nations, trade will resume. There was a similar gap with Iraq. Faced with payment difficulties, Iraq halted almost all imports since October 1982. A credit agreement has now been signed with Iraq. We will buy oil from them paying cash. For half of their imports from us they will pay cash, and the rest will be repaid in one year. This way, trade relations with Iraq have also been re-established. From now on, exports will pick up."

But unfortunately, some other exporters are not as optimistic as Serif Egeli on this subject. This pessimistic group argues that the export fall-off is not a temporary trend of short duration and that from now on, we had better get used to decreasing export figures.

Ibrahim Yazici, director general of Ram Export, says: "Our exports to the Near East are falling off, and will continue to do so in the coming months."

We asked whether the agreement with Iran and Iraq will halt this falling off. His reply:

"These agreements signify good will. But one should not expect too much from such agreements. Look at the agreement with Iran. When last year in March the agreement was signed, Iranian officials were sitting at the table the very same day talking to numerous Turkish companies; many connections were formed and contracts signed. This time around, on the other hand, not a single contract has been signed. Last year's trade protocol listed price and conditions of sale for every item. This year, not even the price has been set. Except for iron-steel and one or two other items. As to the rest, we settled for 'efforts will be made to purchase these items from Turkey'. In my opinion, it is altogether impossible to sell Iran this year 1,25 billion dollars' worth of goods. The same goes for Iraq. It has been two months since the agreement. So far, not a single exporter received even a penny from the Central Bank. The fellows are being fussy; they are not anxious to buy from us."

Lokman Kundakci, acting president of the Exporters Union, is also of the opinion that the export fall-off is not a temporary, but a persistent and continuing trend. Yet his reasons differ considerably from Ibrahim Yazici's. Lokman Kundakci says: "Exports will decline. And this trend, noticeable in trade to Middle Eastern countries, is not temporary. At any rate, as far as we are concerned, our exports in reality have not been increasing all that much. Export of items benefiting from government incentives did increase. For example, export of industrial goods was greatly encouraged and supported. On the other hand, promotion of our traditional agricultural products was neglected. Even the food industry which, after all, is an industry and which offers us great export potential, was not encouraged. If our incentive policies are not reviewed, the export fall-off will be permanent."

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## UNION BILL GIVEN FINAL FORM

## By-Laws Discussed

Istanbul CUMHURİYET in Turkish 4 May 83 pp 1,9

[Text] Ankara--The proposed union bill was given its final form by the National Security Council. According to the bill which is expected to be announced today or tomorrow, union officials, during 4 regular General Assemblies, will be eligible for re-election to 2 additional terms (6 years). Unions belonging to the same industries will have 8 months to rewrite their by-laws to comply with the bill's regulations.

According to the bill--which also lowers the number of industries to 28--those who have been officials for 12 years may be re-elected to their position for 2 more terms (6 years). Further, unions and federations whose activities have been terminated will not have union rights granted by the law, and cannot conduct union activities until their administrative and supervisory boards have been cleared of public charges against them. Registered union members will be free to leave the union by notifying in writing the administrator and their workplace. Upon enactment of the bill, employers will be required to declare within 3 months of the effective date of the law all workers in their employ to the Ministry of Labor, the Regional Labor Directorate, and the pertinent unions. Directives to be followed will be issued within 1 month by the Ministry of Labor.

Those workers or employers who want to change union affiliation, as well as those who do not want membership, or those who belong to more than one union, will have to complete procedures for resigning within 6 months of the date the law is proclaimed. Union membership and resignations will be handled by a notary public.

According to the bill which also contains provisions regarding the matter of by-laws of unions and federations, a person can be elected by the regular General Assemblies successively 4 times to ad hoc committees of unions, locals, and federations. After this period, the same person cannot again be elected to the committee until the time required for a regular meeting of the General Assembly has elapsed. However, the term of these positions will be calculated separately for unions and federations.

Officials who held a position on administrative or supervisory boards of public agencies or organizations and their ventures and partnerships, will be dismissed. Positions of those on ad hoc committees who are accused of any of the crimes listed in the bill, will be annulled.

The General Assembly of local unions will be made up of members. If membership of a local labor union at a workplace exceeds 500, the General Assembly will be formed by representatives. Delegates will be elected by the membership. Labor union general assemblies will be made up of members, except when membership exceeds 1000, they will be delegates.

Employers Union General Assembly will be made up of members or, above 1000, of delegates; and the worker and employer federation's general assemblies will be formed by a maximum of 500 delegates elected by their unions.

#### Political Activities

The initial version of the draft has been retained, and an interpretation of the prohibition of political activity clause has been offered: "Those professional activities conducted by unions for the exclusive purpose of protecting and furthering economic and social rights and interests of the membership, will not be considered 'political'".

Unions will be allowed membership in international organizations.

#### First General Assembly to Meet in 6 Months, Regular General Assembly in 3 Years

The bill stipulates that the First General Assembly of unions and federations is to meet within 6 months of acquiring legal status. The Regular General Assembly will meet once every 3 years.

#### Elections to be Supervised

Election of delegates or members to standing committees of the General Assembly will be conducted under judicial observation by free, equal, and secret ballots, open count and tally. An election committee made up of a president and two members, will be judging. At the end of the election period, the election results will be certified and signed by the election committee president and members. Offenses during election against the election committee members will be punished as if offenses were committed against government civil servants.

To be eligible for election to standing committees of labor unions and federations, in addition to meeting other requirements, union organizers must have actually worked in the industry for 10 years, and to be eligible for standing committees of locals, a minimum of 1 year's actual work in the industry will be required.

#### Maximum 9 Members

According to the bill, the administrative committees of unions and locals will be made up of at least 5, but not more than 9 members, and of federations, at least 7, but not more than 25 members.

#### Denial of Membership

The bill identifies those ineligible for membership in labor or employer unions: "Military personnel; inspectors, auditors and directors working in administration, committees, societies, bank and insurance companies, and other officials in equal or higher level positions.

Those in religion and working in places of worship, students, and faculty of schools under the jurisdiction of special education boards."

According to the bill, workers or employers cannot belong to more than one union at a time in the same industry. In case of multiple union membership, all of them will become invalid.

#### Membership Dues

The amount to be paid by union members will be determined by the General Assembly. Monthly membership dues to be paid by workers to labor unions cannot exceed the amount equal to 8 hours' gross pay.

#### Resigning from Membership

If a worker or employer resigns, he has to have certification by a notary public and complete the procedure. Expulsion of a member from a union or federation can only be decided on at a General Assembly.

Unions will have the capabilities to assist in establishing funding chests for weddings, births, unemployment and the like; these chests will also make loans in amounts not exceeding 5% of ready cash or of existing sums, and provide credit in amounts not exceeding 10% of ready cash for cooperations to be set up by members, for work towards improving education and knowledge among members, and for investment purposes in industrial ventures.

#### Appointment of Local Representatives

The union empowered with collective bargaining will appoint union representatives from among members working locally, one for up to 50 workers at the site, and a maximum of 8, if there are more than 2000 workers. One of the representatives will hold the position of chief.

Monies and possessions of dissolved or annulled federations will be handed over to the treasury.

Worker-employer unions will be inspected once a year by the Ministries of Finance and Labor. The activities of those unions acting contrary to clauses in the bill concerning income of unions and federations, will be suspended 3 to 6 months.

#### Various Articles Discussed

Istanbul CUMHURİYET in Turkish 4 May 83 pp 1,9

[Article: "Unions to Prepare New By-Laws Within 8 Months" ]

[Text ] Ankara--Provisional articles of the Union Bill which was given its final form by the National Security Council requires currently active unions to prepare by-laws within 8 months after regulations concerning trades and industries go into effect.

According to the provisional 1st article, unions which have not prepared new by-laws within the given period, will be considered dissolved.

Unions are required to make known their members with full identification within 8 months of the announcement of the bill. The bill also stipulates that processes of changing union affiliation, admitting new members, or re-admitting those workers who belong to more than one union will have to be completed within 6 months.

The provisional 4th article regulating standing committees of unions reads as follows:

"Those who are members of standing committees of labor organizations active at the time the bill becomes effective, will retain their status until the First General Assembly Meeting.

Those elected officials of standing committees of unions, local unions, or other federations at the time the bill becomes effective, will, regardless of their status, have the right to be re-elected for 2 additional terms according to the 5th clause of Article 9, even if they have sat in their 4th regular General Assembly.

Those among the membership who at the time the new bill becomes effective collect old age, retirement, or disability payments from legitimate agencies of chests established according to applicable laws and who are sitting on committees of unions, locals, or other federations, will retain their right to re-election for the remaining terms, if they have not completed their 4th regular General Assembly."

#### Suspended Unions

Unions whose activities have been terminated are regulated by the provisional 5th article which denies union rights and union activities as outlined in the new bill to unions under discussion, and to those among their high level officials who have been charged with crimes against the government, until they are cleared of such crimes. Dues may not be collected from members of these unions; registered members of these unions are free to resign by notifying in writing administrators as well as the workplace."

#### Trades, Industries

Istanbul CUMHURIYET in Turkish 4 May 83 pp 1,9

[Article: "The 28 Trades and Industries"]

[Text] Ankara--The new Union Bill provides for union activities in 28 trades and industries. Article 60 of the bill regulating trades and industries, assigns trades auxiliary to the central industry of a workplace as belonging to the central industry.

The concerned article will identify in by-laws those fields which are to be included in a central industry.

Trade and industries acknowledged by the bill for worker and employer unions are the following:

1) Agriculture and forestry, hunting and fishing; 2) Mining; 3) Petroleum and rubber; 4) Food industry; 5) Sugar; 6) Textiles; 7) Leather; 8) Timber; 9) Paper; 10) Printing and publication; 11) Chemical; 12) Cement, clay and glass; 13) Metal; 14) Shipbuilding; 15) Construction; 16) Energy; 17) Commerce, office, education, banking and insurance, fine arts; 18) Ground transportation; 19) Railway transportation; 20) Maritime transportation; 21) Air transportation; 22) Storage and docking; 23) Communication; 24) Health; 25) Places of lodging and entertainment; 26) National defense; 27) Journalism; 28) General occupations.

The bill calls for the Ministry of Labor to verify each year in January and July the number of workers in each industry who are union members as well as those who are not.

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## COMMUNIST PARTY SEEKS TO DIRECT PEACE MOVEMENT AT CONGRESS

## CP Chairman Says 'Unity' is Goal

Copenhagen BERLINGSKE TIDENDE in Danish 11 May 83 p 5

[Article by Solveig Rodsgaard]

[Text] "The entire working class is confused and uncertain. That can be seen by, among other things, the formation of parties on the leftwing. The uncertainty which marks the population is being exploited by the bourgeois forces that have also created the crisis. It is a problem for the party and for the working class. We are the only party which has been able to maintain its strength in terms of membership."

This is what Jorgen Jensen, the chairman of the Communist Party of Denmark, says prior to the party's 27th congress which starts tomorrow in Langbjerg school on Brondby Strand.

He also says that the chief tasks of the Communist Party of Denmark in the future will be to determine how unity can be achieved in the trade union and labor movements, and in the peace movement, on which the Communist Party of Denmark places great weight.

Both Jorgen Jensen and Party Secretary Poul Emanuel admitted yesterday at a press conference that there have been problems also within the Communist Party of Denmark up to the present. But they attributed this to the fact that the party was so active.

"Such a debate brings out a lot but it must be directed so it won't confuse the comrades. At some time or other conclusions from the debate must be reached," Jorgen Jensen said.

In regard to the criticism which the nine, including six members of the Communist Party of Denmark, levelled against the party's leadership, he said that if the party's rules were followed, the six should be expelled because the party does not allow the formation of groups or factions.

"The pressing situation in which the working class finds itself can also lead to the comrades' becoming a little frustrated. But we don't want to expell people on political grounds," Jorgen Jensen said. But Poul Emanuel said,

however, that if the six do something like this again, they will have to bear the consequences."

At the congress--the Communist Party of Denmark holds a congress every three years--a new central committee will be elected. Seven of the present members are not running for re-election.

'Imperialist' Propaganda Confusing Movement

Copenhagen BERLINGSKE TIDENDE in Danish 13 May 83 p 3

/Article by Solveig Rodsgaard/

/Text/ The chairman of the Communist Party of Denmark, Jorgen Jensen, believes that the most important task of the party is to make an increasing Communist contribution to the peace movement. The decisive task in the struggle for peace is to prevent the installation of NATO rockets in Europe. He emphasized this in the report, which he made yesterday on behalf of the central committee when the party opened its 27th congress yesterday.

Unity in the fight for peace, in the working class--and no to the European Community, are the chief goals of the Communist Party of Denmark in the future.

"The entire imperialist propaganda machine has been brought to battle in order to confuse people, to create uncertainty in the peace movement. It is organizing so-called alternative peace conferences as a device in the ideological struggle against the socialist countries. It is spreading false claims about Soviet aggression, about the military superiority of the socialist camp, about the undemocratic structure and objectives of the liberation movements," Jorgen Jensen said.

In regard to the party's position in Denmark, the party chairman admitted that the municipal and parliamentary elections in 1981 were a disappointment to the party. But one of the party's many tasks is the struggle for representation in the parliament.

The party puts great emphasis on demonstrations during the winter against the Schluter government.

"It is a known fact that the protests and later the strike of the stevedores created a better, more class-conscious attitude in the trade union movement," Jorgen Jensen said. And later;

"The solidarity movement became stronger. The stevedores held together. It lead to results. It was made clear that there are limits to bourgeois arrogance and impertinence. The trade union movement and the labor parties were forced to take a position. But we must also acknowledge that SiD (/Semi-skilled Workers' Union of Denmark) and the Danish Federation of Trade Unions failed at a time when they could have intervened and forced the employers and the government to make concessions. It was also a weakness that solidarity and understanding of the struggle did not lead to supportive actions by the workers directly involved in the transportation field."

Jorge Jensen considers it very important to strengthen the Communist Party of Denmark "in a situation when the Danish working class is being struck by a massive bourgeois ideological offense."

"We have many tasks. We shall, each individual member and collectively, strengthen ourselves ideologically, become even better fighters in the class struggle. But we shall also secure new fellow-warriors. Therefore, we shall consciously work to get new members, find avenues to new sympathizers, show the Danish people that it can indeed be hard, laborious to be communist with all that it involves. But it is also the most satisfying way to live and fight."

#### Nordic Submarine Concern Termed 'War Phychosis'

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 83 p 3

Article by Helle Ravn Larsen

Text "The submarine hunts are episodes which are being used to ignite a war psychosis. It is strange that no submarines have been found. Suddenly they are all gone. But Defense Minister Engell knew what he should say: more for the military. Schluter's angel shines brilliantly."

This is what Ib Norlund, the chief ideologist of the Communist Party of Denmark, said yesterday on the second day of the party's 27th congress. He pointed out how the capitalist world is plainly putting into operation concentrated action against the socialist world.

"For several weeks the voices of speakers trembling with anger have fed us around the clock with front-line reports on the submarine hunts which have become super modern. Certainly there must be submarines creeping around the harbors of Esbjerg, Aarhus and Limfjord. One fine day they will undoubtedly come plodding up to Langelinie," Ib Norland said.

Ib Norland emphasized that today war is waged not just militarily.

"And for that matter, a modern war cannot be waged without the people being anaesthetized to resign themselves to it. Therefore, large institutions have been created to conduct psychological warfare responsible for mobilizing the daily media for a Crusade.

Ib Norland pointed out that the arms race should be replaced by a disarmament race, so it would be futile for President Reagan to seek military superiority.

"The different peace groups should get together, unify their efforts, so Reagan would not succeed," Ib Norland said.

Peace Secretary Anker Schjerning, who like Ib Norland is a member of the DKP's central committee, discussed like Norland peace and the work for peace in his speech.

"Denmark is contributing to a most aggressive rearmament policy. That is a strange way to fight for peace. We should begin disarmament here by ourselves," Anker Schjerning said.

Anker Schjerning made no secret of the fact that he is convinced that the Soviet Union is honest when it states that peace through negotiation, not war, is the objective, but..

"But why does the U.S. want to be armed for war in space, in the air, under the water and on land. It wants this to be able to smash, weaken and frighten the international working class. It wants to force the Soviet Union and the Communists to their knees, even if it costs the continued existence of mankind," Anker Schjerning said and urged everyone to work to stop this madness.

#### CP to Build Party School

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 83 p 3

[Text] The Danish CP intends to establish before the end of the year a high school--The Martin Andersen Nexø School, where it will be possible to build up a party school. The high school committee at the moment is negotiating the purchase of buildings. The purchase will be financed by money from the 9 November 1919 fund.

Principal Harald Rasmussen, chairman of the committee, made this known yesterday at the CP's 27th congress. He emphasized that the school will absorb neither money nor effort from the party, instead it will give new strength to the movement.

The expenses for operating the school will be met by a state subsidy according to the same guidelines as for other high schools in Denmark.

"The Nexø School will become active in our continued work for peace and socialism. The school will provide instruction on a Marxist basis and provide the possibility of offering courses of a few months' duration for party comrades who can not take courses in the socialist countries," Harald Rasmussen said.

Each year the Danish CP sends about 500 party people to courses in East European countries.

#### MP Criticized for GDR Peace Group Contact

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 83 p 1

[Article by Helle Rayn Larsen]

[Text] Anker Schjerning, the peace secretary and a member of the central committee of the Danish CP strongly attacked Margrete Auken of the Socialist People's Party in the party congress yesterday.

Margarete Auken participated last night in an unofficial meeting with a group of East German peace activists in East Germany. In addition the leader of the Japanese peace movement and a Norwegian peace activist participated in the meeting. The meeting in East Berlin took place because the East German peace activists could not participate in a peace congress in West Berlin.

"Margrete Auken's activities in East Berlin are media-wise a flop. As long as Denmark makes itself a base for 60,000 elite American and English troops, the road of the Danish peace movement is certainly not via actions in East Germany so that they whom we threaten from here will turn their swords into plowshares," Anker Schjerning says.

He adds that despite Margrete Anken's flipflop the peace movement is on its way to a higher and more deliberate level.

Margrete Auken reacts strongly to the attack which she characterizes as "cowardly, indescribably and unbelievably rude."

"The Danish CP is hopeless. They have pawned their hearts and souls to Moscow without getting any influence. It should be possible to discuss the peace movement in all countries. In the eastern countries peace activists are threatened," Margrete Auken says.

"The peace movement is not credible when people in the Warsaw Pact countries can't discuss their own problems. It is one thing that the NATO countries are arming but the others are following jolly well along. It is terrible and distressing that the Danish CP does not really want to participate in the work for peace," Margrete Auken says.

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## GLISTRUP TRIAL SHARPENS CONFLICT WITHIN PROGRESSIVE PARTY

## Dilemma in Supporting Schluter

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 83 p 7

[Article by Solveig Rodsgaard: "Mogens Glistrup in the Role of the New Saviour of the Progressive Party"]

[Text] The founder of the Progressive Party and current campaign leader, Mogens Glistrup, is of the opinion that only he, Mogens Voigt and Leif Glensgard pursue the real progressive policies. Voigt cannot run again and Glensgard will leave the Folketing after the next elections. This is why Glistrup has started to "save the Progressive Party."

Glistrup violently curses at the majority in the parliamentary group which, according to his opinion, pursues a completely wrong line and he hopes that his action either leads to a "re-education of the elected parliamentary candidates" of the Progressive Party Associations or to other slates of candidates.

"The line from the parliamentary group majority has led to the fact that the Progressive Party vote has in every situation been at the pleasure of the government with no regard to whether it was sensible or not. This, of course, when the government needed the votes. Instead of utilizing the situation, so that we might perhaps have had 70,000 fewer people unemployed, a taxfree base limit, which would have been 5,000 kroner higher, and a general pension for all, which would be 3,000 kroner higher, the majority of the parliamentary group has chosen to say yes, yes, yes, yes, and yes every time the government has come up with something stupid and the Progressive Party vote has been decisive. This is the surest way of making the party into an insignificant party as one Progressive Party vote is the same as one Schluter vote."

## Backslapping

[Question] Why is there such a bad relationship between you and the group's majority?

[Answer] Among other things because the majority reads BERLINGSKE TIDENDE, JYLLANDS-POSTEN and the leftist newspapers and these group members say: "Uha, if we vote with the government, we will be praised in these papers. But as soon as we pursue sensible policies which benefit Denmark and go against the government, we are cursed in the BERLINGSKE TIDENDE and many others, and we do not want that. So we prefer to remain the few who are considered to be so-called responsible real politicians. They have not been strong enough to resist the media influence.

[Question] How is it possible that the parliamentary group majority has been able to hold out so long?

[Answer] Because all this inflated need to receive recognition and backslapping. When one writes so nicely about the Progressive Party having become a responsible Party, when the Merchants Guild picks Uffe Thorndahl as the politician of the year, when one is invited to dinner to Poul Schluter. It is the human reaction that has functioned so unfortunately.

## The Voters

[Question] How is it that it is only you, Voigt and Glensgard who have the strength?

[Answer] The nucleus of Progressive Party policies is that we would very much have wanted to raise ourselves above the low level at which all the existing Danish political parties up to now have been, and it is therefore that we wanted a party at the time of the founding which would cut across the whole society. We had tremendous labor support, fantastic farmers support, enormous trade and industry support and we would very much have liked to have had tremendous support from pensioners. But those who came to our party organizations were not representatives for our voters and consequently, our parliamentary group did not represent our voters. Thus the ones like Voigt, Glensgard and Poulsgard better represent our voters than people like Thorndahl, Ole Maisted and John D. Lawaetz. This is where the split is.

## The Party

[Question] You have earlier talked about forming a new party. Are you still considering it or are your thoughts completely absorbed in the upcoming Supreme Court decision?

[Answer] The Supreme Court case plays no part in my political views. What is crucial is progressive policies and the Progressive Party is only the organizing shell. But when you have a well functioning organizing shell, you should not use time and strength to throw it away and rush out and use up strength and resources for the good work of building up a party apparatus. As long as the party apparatus is intact, I will make a great effort to work within this apparatus.

[Question] What will happen to the party if you have to go to jail?

[Answer] It will be more difficult for the party. Obviously I will have greater opportunities to exercise my influence on the party if I am free.

The Barrier

[Question] What are the party's chances in the upcoming elections?

[Answer] I take it for granted that we will get in. But if we get a parliamentary group that pursues the same policy which we have experienced during this last 6 months, I do not think we will be able to cross the barrier in the following elections.

### Glistrup Trial Continues

Copenhagen BERLINGSKE TIDENDE 16 Apr 83 p 7

[Article by IB Eichener-Larsen: "Glistrup Case: Pulling Oneself by the Hair"]

[Text] As Attorney General Per Lindegaard yesterday opened the examination of the client relationship of the Glistrup-case which prompted the tax authorities to take action, he continued State Prosecutor Birgitte Vesterberg's presentation of 31 situations with a comment of a client, which were to be viewed in another perspective.

This involved a businessman who was atypical, among other things, because he was not required to pay any security deposit at the start of his contracts as did the other clients. In his case, the financial arrangement was, among other things, based on a share in a partnership in the shipping company "Dorrit Lea." He acquired a 45 percent share in the ship amounting to 726,655 kroner of which 400,000 kroner were paid in cash.

"The amount was paid in hard cash, there is no doubt about that," said the attorney general. "That is evident from the Attorney General's Office cash book. But the difference, 326,655 kroner, is raised in a more unorthodox manner by a loan from a cartel. The loan was credited on 19 December and redeemed on 29 December 1969 when the businessman's company took out a loan for this purpose in A/S 11.4.1965. The auditors have without result tried to find the ship's heed. It cannot be found and it is the opinion of the prosecution that this does not involve any purchase of a share in a ship but a base for write-off purposes."

The businessman's company, ICC, increased its commitments in 1970, partly by obtaining new shares in a ship and partly by acquiring corporations. On 27 February 1970, the company bought 9 million dollars worth of stocks in A/S 9.6.1967 and that same day the company increased the share capital by 8 million kroner.

"In other words: You pull yourself up in the air by pulling your own hair," said Attorney General Lindegaard.

#### Party May Have to Go On Without Founder

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 83 p 8

[Editorial: "Glistrup and His Party"]

[Text] Mogens Glistrup does not hide neither from the world nor from his party that he feels betrayed, and that by now he is left with Mogens Voigt as his only supporter for the continuing crusade for what they call the progressive idea. The immediate cause behind this crisis is surely that while Voigt is on his way out, Glistrup is most likely on his way in. After he was found guilty in the High Court, the Supreme Court will hear the appeal case, which actually just concerns the extent of his penalty. It cannot come as a surprise to anyone, if Glistrup starts to feel weighed down by being isolated and alone, despite his often demonstrated physical and psychic strength. He reacts sharply to his party colleagues who in a friendly and tolerant manner show their understanding for his personal situation by emphasizing their recognition of his efforts. It is however, impossible to hide the fact that with respect to the founder and the Folketing, the party is in a situation which it scarcely could have imagined would ever arise.

In all probability Glistrup will not be a member of the Folketing when the fall work begins. Most likely he will not be around in December when the party, which he founded, will mark the occasion that 10 years have passed since the election that brought the party to the Folketing with almost half a million votes and 28 mandates. Since then there has been a decline. It was so easy and so encouraging during the first years, when the Progressive Party seemed to be able to conquer all the way but it has become more and more difficult. And the power situation has changed so, that the party now has been brought into a situation which puts totally different demands on it than on those whose ideals it lived up to with such ease when the party was young.

The country now has a government which cannot be an objective of the Progressives. The party must, on the contrary, feel itself obligated to avoid creating unnecessary problems for a government with a policy which cannot bring it into opposition. This situation provides for greater influence in a more direct manner than the party has ever had before. And this is what is happening in the Progressive Party currently: admittedly there is someone they can reasonably talk with, and there is capacity for entering into everyday politics with undramatic negotiations and unobtrusive compromises.

The Mogens Glistrup, who is more an agitator than a politician, this is a breach of the founding character of the Progressive Party. Among the party members at Christiansborg there is talk about recognizing the need for practical work. The party founder would be able to give the party its strength but it is quite possible that the party's chances of surviving depend on it being able to work despite Glistrup and perhaps without Glistrup.

## Party Ready To Give Schluter Guarantee

Copenhagen BERLINGSKE TIDENDE in Danish 20 Apr 83 p 1

[Article by Dan Axel: "Progressive Party Ready To Give the Government Guarantee"]

[Text] The Progressive Party is ready to give the government its guarantee for support on issues concerning foreign and security affairs and underdeveloped countries, if the four-party bloc, the Radicals and the Progressive Party can reach a broad economic agreement that is effective until the next elections in the fall of 1985.

The political spokesman for the Progressive Party, Ole Maisted, tells the BERLINGSKE TIDENDE that the government will use the summer for discussions with the Radicals and the Progressive Party in order to reach a firm agreement as soon as possible.

"This government cannot continue to zig-zag their way through," says Maisted. We must get some "give and take" talks going between the six parties, and the sooner the better. And we are ready to swallow camels."

The conservative, political speaker of the Progressive Party, Henning Dyremose, does not want to reject the idea. "It is useful to check this idea. Most important, however, will be that the Radicals react positively to this signal from the Progressive Party. If the government is able to get strong guarantees that it will not be overturned on foreign affairs issues, defense issues, security issues or issues on the underdeveloped countries, then something completely new is about to happen in Danish politics," says Dyremose.

Both Maisted and Dyremose think that the possibility of continued strict economic policy will be the only chance to save Denmark's economy on a long-term basis.

## Party Has Problem on Agreeing on Policy

Copenhagen BERLINGSKE TIDENDE 22 Apr 82 p 8

[Editorial: "Difficulties in the Progressive Party"]

[Text] Even before it became necessary for the government to take a position on whether it should undertake a broad deliberation of further possibilities of cooperation with the Progressive Party, the Radical Liberal Party obviously has made any further reflections on that unnecessary. No Radical has any interest in participating in the actual and long-term agreement foundation between the parties which gave birth to the government.

There is nothing surprising in this attitude of the Radicals. It had to be like that unless the Radicals would break the political line they have held since September 1982.

It does not come as a surprise either that the Progressive Party volunteers. That is a natural result of the ideas which are now being entertained within the party. The latest election results have not been very encouraging. The development in the opinion polls--especially after the new government took over-- is not any brighter. Ahead are great difficulties in connection with the outcome of the long-term legal settlement of the Mogens Glistrup case. Such conflict has taken place within the party that it will be difficult to piece a new policy together again, both in relation to the internal unity of the party and the voters.

It is the recognition of this that has taken hold of the party's governing circles. As a whole, it now seems that the reason for the government's dubious success and especially the success of the Conservative Party is that the government has bought the Progressive Party's policy and is selling it in a new wrapping and doing better than the Progressive Party could have done it.

This is, however, not a correct description of the actual situation. If anything, it is just the opposite. During the recent years, the stubborn program Glistrup founded the party on has slowly started to wear out. Piece by piece there have been changes in the founding ideas. Again and again there have been variations from what was viewed as an absolute at the founding of the party. As far as it goes, Glistrup is right about the current party leadership having committed treason against the original progressive thought. He has done it himself, although to a lesser extent. But the party's majority group of the parliamentarians has in a series of crucial points settled what Glistrup during one period of change called the progressive medicine.

It is clear that thereby the Progressive Party has moved into an arena where negotiations with other parties are possible. The existence of the government and its policy is a reflection of that. It is also clear that the Progressive Party could support the shaky party if an agreement of cooperation, which would also characterize the Progressive Party's viewpoints, could be reached. But it is exactly why the Radical Liberal Party backs out. Why should the Radicals extend a helping hand to Progressives in distress?

#### Folketing Leader Comments

Copenhagen BERLINGKSE TIDENDE in Danish 26 Apr 83 p 11

[Article by Uffe Thorndahl, chairman of the Progressive Party's parliamentary group: "Thorndahl: Progressive Party With Responsibility"]

[Text] On 22 April, the BERLINGSKE TIDENDE published an editorial: "Difficulties in the Progressive Party," which, judged by its merit,

rather seemed to belong in the EKSTRABLADET. It has actually always surprised me that newspapers, and especially the newspaper editorials, often convey viewpoints which primarily are a manifestation that the newspaper has not at all studied the topics which, for the matter, the newspaper is commenting on in a bombastic manner. Thus the editorial states the following about the policy of the Progressive Party: "Again and again there have been variations from what was viewed as an absolute at the founding of the party." This is simply incorrect. We have the same attitudes today and fight for the same main viewpoints which we had when the party was represented for the first time in the Folketing. It is therefore a great distance between the editorial and the facts. By way of introduction, they are emphasized thus in the party's program in March 1976:

"Preferably we will have removed the weight of bureaucratic confusion, official paper frenzy and the burden of income tax pressure which is the reason for the society's misery. The support of the party has therefore, so far, been dependent on--and has only depended on--the fact that there is a great desire, in a democratic way to make the fight against these three social orders a high priority. Only by abolishing these will we be able to overcome unemployment, foreign exchange deficit and the feeling of sourness of life." Our only absolutes are these three main points. And we have all followed these main points.

When it is then maintained in the editorial that a slow decline has taken place in our program during recent years, it is totally untrue. The party has, on the contrary, developed our program which at its latest formulation in September 1981, covers 135 points which have been developed on time. On the whole, we in the Progressive Party have through the years been in more agreement about our policies than most of the other parties. But that there are individuals within the party who, year after year, have created problems and difficulties is another story altogether. The basis for these difficulties is, however, of a totally different nature.

The editorial starts by almost rejoicing over the fact that the Radical Liberal Party has completely rejected any discussions about whether a quick economic agreement can be reached between the government, the Progressive Party and the Radical Liberal Party for the next 2 1/2 years. When we want a quick economic agreement, it is neither out of regard for the government, as the BERLINGSKE TIDENDE cheaply indicates, nor for our party--just the opposite. Our activities and workplaces need fast political leadership, otherwise the investment in new workplaces will be very modest. We simply will not get proper hold of the solution of our economic problems and our employment problems until a solid majority has been established in the Folketing. As things now stand, such majority can only be established between the government parties, the Progressive Party and the Radical Left Party. The initiative Ole Maisted formulated on Wednesday 20 April corresponds therefore completely to the application Poul Schluter directed to the Radical Left Party and the Progressive Party in July last year.

In the BERLINGSKE TIDENDE 9 July 1983 the following appeared:

"The leader of the Conservative Party, Poul Schluter, now wants to make contact with the Radical Left Party and the Progressive Party in order to get the two parties to join the four-party bloc to form a majority against the government's upcoming finance bill. Schluter pins his hope on the six parties being able to put through savings in a number of areas demanding high expenditure. The new Conservative initiative comes because Poul Schluter recognizes that the Conservative Party, the Liberal Party, the Center Democrats and the Christian People's Party do not have a majority in the Folketing, the four-party bloc does not have to try its hand either with a new finance bill that will never amount to anything. That makes no sense." It is politically more important to work out an amendment bill which ranges from the Progressive Party to the Radicals across the four-party bloc because then we will have a majority."

This is how the political reality works. When the country is to be governed without the Social-Democratic Party, there are no other possibilities today than close cooperation between the four-party bloc, the Radicals and the Progressive Party.

This responsibility has created and creates great problems for the Progressive Party, but we want to live up to that with purpose and energy even if there are perhaps some considerable political expenses involved. In conclusion; I therefore want to emphasize that the editorial in the BERLINGSKE TIDENDE on 22 April was an editorial which the newspaper simply should be ashamed of.

[The BERLINGSKE TIDENDE did not try to explain away in the aforementioned editorial that the Progressive Party constitutes a portion of the government's balance. The viewpoint was, however, that the Radical Liberal Party does not want to enter into cooperation with the Progressive Party and the government bound by a firm agreement. The BERLINGSKE TIDENDE took a position based on this attitude. The Progressive Party can also take a position based on this attitude.]

9583

CSO: 3613/102

## CONSERVATIVE GOVERNMENT SEEN SURRENDERING ON FOREIGN POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 6 Apr 83 p 9

[Article by Olaf Nielsen]

[Text] The government has kept a tight rein on itself in foreign policy matters. Apparently, it does not want to hinder broad support for Denmark's foreign policy while the government pursues its primary objective: creating conditions for a Danish economic upswing. Such a policy can be praiseworthy for a minority government in a small country, but the reins can become so tight that the government could choke, while undeserved doubt is cast on Denmark's foreign policy.

This is what is happening now, as Foreign Minister Uffe Ellemann-Jensen must serve as an easy target for attacks from part of the opposition which, to the surprise of many, includes the most prominent elements of the Social Democratic parliamentary group. The dubious pretext for the storm surrounding the foreign minister is Uffe Ellemann-Jensen's violation of a mandate from the EC Committee in parliament in connection with Denmark's now discontinued sanctions against the Soviet Union because of conditions in Poland. This pretext is presented without consideration of the true significance of the issue, which is the question of solidarity with democratic forces in Poland.

Not too long ago the government was forced to give in on the matter of payments to NATO's infrastructure fund in connection with the deployment of medium-range missiles. Now it has had to give in on the issue of joint EC sanctions against the Soviet Union. More attacks of this type on the government's foreign policy can be expected. At a certain point, however, the prime minister must put his foot down, when the government no longer can take responsibility for Denmark's foreign policy or lack thereof.

As a result, we will have parliamentary elections in which foreign and security policy will play a significant role. One lesson that can be learned from the recent parliamentary elections in West Germany is that it is important to have a well-balanced debate over these complex issues before the campaign becomes the object of active attention by strong outside forces.

On 17 March the foreign minister wrote an article in BERLINGSKE TIDENDE on the stability and credibility of security policy: "As politicians, we must elevate

the public debate. We must resist the temptation to ride the crest of a popular movement that, in reality, advocates unilateral disarmament as a way to security and peace in the world and, thus, is both dangerous and ill-conceived. We must no longer permit the security policy debate to be side-tracked, which has occurred on many occasions, or permit emotions to be the predominant element. Politicians--at least the responsible ones--must consider their most important task to be informing the people of political reality. By this I do not mean detailed figures on the relative strength of the various sides, but the reality behind what is happening."

How long must we wait for such responsible behavior by the government, which would secure a defensible foundation for Denmark's foreign and security policy? The answer will not come from the Security and Disarmament Committee. Broader circles must be included. There is a deep reserve of both energy and knowledge among our people and the desire to get to the bottom of these problems. This reserve can be tapped at any time. And this is an urgent matter, is it not, Mr Foreign Minister?

9336

CSO: 3613/91

## PAPER SEES SDP FOREIGN POLICY OPPOSITION MAY BRING ELECTIONS

Copenhagen BERLINGSKE TIDENDE in Danish 6 Apr 83 p 9

[Editorial]

[Text] It was a good Easter for the Conservative Party. The Gallup poll published by BERLINGSKE TIDENDE indicated that they had made advances. If this trend continues the Conservatives will be twice as strong as on the last election day. There are many indications that the Conservative Party will gain a significant victory in the next election. It is understandable that there are Conservative representatives who are more concerned about the party's welfare than anything else and are looking forward to a new election as soon as possible. That would make amends for many defeats over the years, but this hardly will occur--and it should not occur.

There is hardly any reason to believe that the prime minister would provoke an election. To be sure, it would not be difficult for him. The Social Democratic opposition provides ample opportunity, particularly in the area of foreign policy, where the Social Democrats are conducting a policy that could justify a showdown. It could even be considered imperative to do so when we consider that time and again Anker Jorgensen and his colleagues have gone against the policies that previously united the parties. But the prime minister may claim justifiably that an election now would be seen as a betrayal of the voters who have a right to expect the government's present economic policies to continue without the delay and reduced intensity that would result from an election campaign at the wrong time.

Poul Schluter must take into consideration both the country and the other parties in the government. It would be devastating to him personally--and to his party, in the long run--if he brought on an election for the benefit of his party alone. We know from long experience with coalition governments that the prime minister's party gains the most. Perhaps this will occur after the next election, too. For the prime minister and his party, however, the goal must be to help the government continue its work after the election. Elections must not be held for the sake of the Conservative Party, but to provide this opportunity for the government. The recent political poll confirmed that this possibility exists. It should be noted that the two largest parties in the government, the Conservative Party and the Liberal Party, have a combined

strength greater than that of the Social Democrats. If these two parties can continue their alliance without quarreling, and they should be able to do so, the government will have a good chance of continuing after the next election.

The Conservatives can see with satisfaction that they have won over a significant share of the voters. But they must remember that it is the government, not the Conservatives themselves, that is of primary importance.

9336

CSO: 3613/91

## POLL FINDS INCREASING LOSS OF SUPPORT FOR EC MEMBERSHIP

Copenhagen INFORMATION in Danish 7-8 May 83 p 5

[Article by Henrik Heie: "Almost Twice As Many Are Now Opposed to EC"]

[Text] The opposition against Denmark's membership in the EC seems to be greater than in any previous time.

This is shown by an investigation conducted by AIM [expansion unknown], which differs from previous investigations of the same type by giving those questioned several possibilities from which to choose. If there should be a referendum now, the investigation indicates that with the assumption that Denmark could make a free-trade agreement with the EC, there would be as large a majority against EC membership as there was in 1972 for it.

Rearranged

In 1972 63.3 percent of the participants in a referendum voted yes, 36.7 percent voted no, and 9.9 did not take part in the voting.

In the AIM investigation the votes were rearranged. To the possibilities offered, 8.3 percent answered don't know. Of the remainder, only 37.5 backed EC membership, while 62.5 percent preferred either to have a free-trade agreement with the EC along the lines of Sweden and Norway, or to get completely out of the EC without an agreement.

The new AIM poll was collected in February and March, and includes a representative cross section of 2,572 voters. Those questioned received a card from which they made a selection, after being asked the question as to what they would vote for now, from the following four possibilities:

1) "EC membership, preferably expanded to a real union with combined foreign and security policies."

Only 8.9 percent of those questioned could approve of that. They must be designated the fullblooded EC supporters.

2) "EC membership, but not expanded to a real union."

That was preferred by 25.5 percent of those questioned. They are also supporters of the present situation.

3) "Free-trade agreement with EC in the same way as for example Norway, Sweden and other Scandinavian countries."

This solution collected the most support, with 37.0 percent of those questioned.

4) "Get out of EC cooperation and agreements under all circumstances."

This absolute withdrawal was approved by 20.3 percent of those questioned, who must be considered the hard core of EC opponents.

In Gallup's latest opinion poll in December, 48 percent voted against EC membership, 35 percent voted for, while 17 percent said "don't know."

The high "don't know" percentage disappears when the voters have several different answers before them to choose from. That also shows that a large number of the "don't know" group prefer to be out of the EC, if an alternative can be created, including free-trade agreement for Denmark.

#### Only a Few Convinced

Disregarding the 8 percent who continued to answer "don't know" the other voters are divided into 36.7 percent supporters--who chose answers 1 and 2--and 62.5 percent opponents--who chose answers 3 and 4.

That is twice as many determined opponents as convinced supporters of EC. Supporters of a union are in all circumstances a disappearing minority with less than one-tenth of the voters.

But it can also be seen from the numbers that there will hardly be a majority for rapid withdrawal. For when AIM asked the question "Denmark should withdraw from the EC as rapidly as possible" it was seen that only 36.9 percent of the responses were "totally agree" or "somewhat agree" while 38.6 percent said "somewhat disagree" or "totally disagree." All of 21 percent replied "either-or". The last question was asked in 5,114 interviews in 1982.

#### Transitional Arrangement

Jens-Peter Bonde, parliament member for the People's Movement Against EC, who presented the AIM investigation at a press conference on Thursday, believes that the two investigations can both be correct. A person can very well be against EC without thereby being for withdrawal "as rapidly as possible."

The People's Movement Against EC therefore approved at its national meeting in November to offer a proposal for a transitional arrangement, so Denmark can "step out" of EC without economic upheavals. It is believed that a sensible withdrawal can take place in a transition period of 3-4 years.

## SOCIALIST NEWSPAPER COMMENTS ON TREND TO TWO-PARTY SYSTEM

Copenhagen AKTUELT in Danish 7 May 83 p 6

[Editorial: "Two-Party System"]

[Text] It is clearly evident that the political structure in Denmark is undergoing change. Creation of a nonsocialist four-party government is pushing this development. In the first place by a coalition of nonsocialist parties, and in the second place because Schluter's Conservative Party has stronger and stronger dominance and is quietly devouring the other nonsocialist parties.

Folketing member Jens Risgard Knudsen has said that we are on the way to a two-party system. We are on the way to a joining of parties, which will make some small parties superfluous, but this trend which appears stronger and stronger ends up in a system with fewer parties as for example in Germany and England, which have other technical election preconditions, and have had their two-party systems exploded.

The Liberal Party, in the last Gallup poll, suddenly advanced at the expense of Schluter, but that development will scarcely hold. In the struggle to be the dominant nonsocialist party, Schluter won the decisive encounter, when the Liberal Party had to give up and deliver the prime minister post to Schluter.

He has utilized that opportunity well on the way to assembling a nonsocialist front. That does not immediately give more strength, but it draws the power to the Conservative Party, which more and more prescribes and characterizes the government.

9287

CSO: 3613/115

## SCHLUTER SEEN TEMPTED TO CALL FOR ELECTIONS; POLLS FAVOR

Stockholm DAGENS NYHETER in Swedish 18 May 83 p 21

[Commentary by Ake Ringberg: "New Election or New Compromises? Schlueter at Crossroads"]

[Text] Copenhagen, Tuesday--Election or no election, that is the question for Denmark today--but most indications are that the final struggle initiated this week relating to the government's economic program will end up with a compromise, despite the fact that the small radical support party is threatening to overturn Poul Schluter's wagon.

But the government is now increasingly accused of being more in love with their seats than with political principles.

The principal actors in the final political play at Christiansborg before the summer vacation are representatives of the government's four-clover parties and the Social Democrats, with the Radical Left as a menacing thundercloud. Poul Schluter and Anker Jorgensen recently met informally over a cup of coffee in the prime minister's office, and after the meeting the saying was generally printed: "Land Shall Be Built With Compromise." But the reality was actually somewhat different.

Anker Jorgensen is just as uneager to have an election today as Poul Schluter. However, there are points in the government's economic program which the Social Democrats simply have to vote against in Parliament. These concern primarily Schluter's stated promise for a so-called tax check in the amount of 600 kronor to be paid to everyone over 18 years of age, as a reward for the rapid and restrained agreement in the labor market.

The Social Democrats believe it is unreasonable to use money for tax relief in a situation in which the country has more than 300,000 unemployed and society literally cries out for job-creating investments.

#### Social Democrats Hinted

The Social Democrats, who during the winter practically "governed" the foreign policy by a number of smart maneuvers in Parliament, have let it be understood

that they will vote against it--not abstain--if the government submits its tax relief proposal for voting. That is what the party's political chairman, former Finance Minister Knud Heinesen, said the other day.

The government took the hint: Heinesen's colleague in the Conservative People's Party, Henning Dyremose, replied that if a majority cannot be obtained for the proposal, the whole thing could rest until after the summer recess. A compromise can be reached during the fall as well....

A so-called broad agreement between the conservatives and the Social Democrats, in practice a Social Democratic-conservative government, has been favored by strong forces within Danish Social Democracy, among others by powerful Knud Poulsen of the Metalworkers' Union. But the proposal has not gained political foothold. Joining together would open the gates for voter flight to the extreme left parties, one fears.

### Economies

An even more controversial issue--which in practice could bring down the government--is the major economies which the government wants to introduce for the county councils and municipalities. This is where the Radical Left support party enters the picture: Only if its nine members in Parliament and the 15 or 16 members of the Progress Party support Schluter on decisive votes will the government's existence be saved. If that does not happen, the government falls and a new election will be held.

Not only has the Radical Left rejected the idea of the 600-kronor "gift check," but it has also made it clear that a 1 billion cut will not be accepted until next year, and 1.5 billion in 1985.

This is very far from the government's own figures. Right now economists at the Finance Ministry are working on the fall budget, and in it they are dealing with cuts around 10 billion kronor. But the intent is to cut 3 billion for municipalities and county councils immediately and keep the "gift check" which costs the state treasury 2.3 billion.

The government is pointing to Denmark's enormous state budget deficit, in which the interest alone for the 1984 debt is calculated at 40 billion.

It is tremendous interference into the Danish welfare society that is being planned. The details of the government's economy proposition are still secret, but according to what has transpired it is the Social Ministry which will be hardest hit. The principle will be that those who can afford it will also have to pay for their welfare and social service.

### Election Temptation

Among other things, child allowances for single mothers who already have a high income will be eliminated--according to current law a single provider receives income subsidies with an income up to 252,600 kronor and, with two children, up to 307,330 kronor. Now the money will instead be distributed among low-income

earners and families with many children. The care of the aged will also be affected. Among other things an experiment tried in Odense will be continued, in which domestic help could be cut back because old people helped each other with certain chores.

It is considered impossible that the government will get its entire savings program through in view of the opposition from the Radical Left. Therefore, the government can either stick to its program and announce new elections or select new compromises. The prime minister said most recently on Sunday, that he does not intend to announce new elections unless he is forced to.

Otherwise, the temptation must be great for Poul Schluter himself to follow Margaret Thatcher's example and dissolve Parliament. According to the latest Gallup figures his own party will acquire nearly double the number of voters (from 14.5 percent to 26 percent). But for his coalition partners (the Liberal Party, the Christian People's Party and the Democratic Center) the trend points straight down, and this is something that Schluter also has to take into account.

11949

CSO: 3650/193

## PAPER DISCUSSES PRESS SELF-CENSORSHIP IN FOREIGN RELATIONS

Helsinki HUFVUDSTADSBLADET in Swedish 30 Apr 83 p 2

[Editorial by Jan-Magnus Jansson: "Did the Press Neglect Its Duty?"]

[Text] The press in Finland neglected its duty with regard to keeping the public informed during President Kekkonen's final year, especially when it came to the state of his health, it was charged in a recent discussion. Jan-Magnus Jansson takes up this issue and also discusses the right to publish criticism of the president.

Two Finns who have made their journalistic careers abroad, Werner Wiskari of THE NEW YORK TIMES and Yrsa Stenius of AFTONBLADET, pointed out in a forum discussion in Finland that the Finnish press had neglected its duty to keep the public informed during President Kekkonen's last year in power, especially with respect to the state of his health.

Since the reference concerns matters that have a universal scope, it is worth taking a minute to look at the issues involved.

One cannot simply dismiss the criticism made by the reporters. During Kekkonen's last period as chief of state, he was surrounded by very high walls. One was of a very tangible nature: the people who came in contact with the president and were granted audiences with him were few in number. It was hard to obtain verifiable information about the condition of his health and his ability to perform the duties that go with the job.

Another wall was erected by the silence that prevailed in public about these matters, among others, based partly on respect for Kekkonen as a person but partly also on the interest of some people to have him continue in office as long as possible. Obviously that is what the critics were referring to specifically.

It seems important to us to differentiate between the two things. One involves the medical question of symptoms of a progressive weakness due to age. Wiskari specifically stressed that. Although the silence may have

gone on too long, there were at least understandable reasons for the omission of this matter from the reports made by the Finnish press. Decency and personal respect are still values that should not be ignored and in retrospect it is distasteful to think of Kekkonen being exposed to intimate reports of the type that a complete disclosure of his health would have necessitated.

One can also cite international custom: in past decades, at least, it was not customary to describe in detail the physical and mental weaknesses of chiefs of state and prominent statesmen. One would have to look hard to find a contemporary press reference to such things as the senility of Gustav V or Churchill, despite the fact that these were well-known matters.

In addition, the inattention referred to by Wiskari was by no means a clearcut phenomenon. For example, those who had the opportunity to follow Kekkonen's last election campaign in 1977-78, when he traveled in rapid succession from place to place and made many demanding speeches (prepared by others, of course, but that is normal for heads of state), could note that although age had left its mark, there were no obvious counterindications to his re-election as president. Whether it was politically wise to re-elect the same man for such a long period of time is another matter.

Since it took Kekkonen's doctors 2 months to decide that the president was suffering from "permanent degeneration," one can perhaps not fault the Finnish daily press for failing to state that the elder statesman was unable to perform his duties. The truth is probably that attacks of weariness and mental weakness, which may have occurred more frequently as the years went by, were interspersed with long periods in which Kekkonen could exercise his leadership in a normal fashion. The desire to preserve his authority in future international negotiations also played a role.

It is another matter that the Finnish press--as well as the political parties, who put the brakes on for a very long period of time--should have drawn the political conclusions of what one could suspect in good time, or in other words, the press should have prepared the people for a change in government and that it specifically should not have supported the illusion that was cherished in some circles that Kekkonen could conceivably be re-elected in 1984. It should be recalled in this context that HUFVUDSTADSBLADET in several editorials in the period 1979-80 stressed that this problem should be discussed, and in 1980 an editorial on this topic was published under the title, "On Greater Openness," which aroused a good deal of attention, as well as creating some bad blood. Similar moves were made in several other quarters, especially in Finland's Swedish press. From the winter of 1980-81, one could say that we had a de facto discussion of the president in the press, even though the parties felt they had to keep quiet. But if one is going to deplore something, it should not be so much the absence of reporting about the president's health as the fact that discussion about the political significance of the inevitable power shift got started so late.

Wiskari now asks, somewhat pathetically, how one can avoid having the same kind of silence repeated in the future. An answer to that question is that the constitution should be changed, so that the same person cannot be elected for more than two sessions in a row to the office of president.

More important than the case discussed here is another matter with implications for the future, namely whether the president should be criticized for his actions and behavior. In the past, it was assumed in literature on constitutional law and elsewhere that criticism should not be directed against the president because he does not have the same opportunity as other citizens to refute it.

That is an opinion that probably still affects many, but it is being increasingly abandoned and was in reality never fully adhered to. That is shown not only by the criticism of Kekkonen, which was strong but often hypothetical, but also by the earlier poisonous attacks that were directed at Stahlberg, in his day. It is wrong to allege that the president has no chance to defend himself: he can give speeches and grant interviews that receive the maximum of publicity. And as we all know there is a precedent that the president can publish his private letters in which he may judge his contemporaries unmercifully.

British constitutional law has instituted the idea that "The King can do no wrong." In other words, the chief of state cannot be criticized for his actions, because the ministers assume responsibility for them. That maxim cannot be applied in Finland, where both judicially and politically, the president is an independent authority who decides many important issues.

Thus in Finland the president can be criticized just as other elected officials can be criticized. But two reservations are in order. The president is responsible only for what he does or directly influences himself, not for the general policy of parliament and the government. And in addition: poorly-considered criticism of the president can, more than criticism of other state organs, damage his opportunities to represent Finland internationally. This latter viewpoint should not be used to gag public opinion, but it is good to bear it in mind, even so.

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CSO: 3650/186

## NEW GOVERNMENT'S COMPOSITION REFLECTS POWER RELATION CHANGE

Helsinki HUFVUDSTADSBLADET in Swedish 5 May 83 p 2

[Editorial by Jan-Magnus Jansson: "Something New in the Air"]

[Text] There are many new features to look at in the composition of the government that has now been formed, according to Jan-Magnus Jansson. The editorial also discusses the position of the Social Democrats, the Center Party and the Swedish People's Party in particular in the government and concludes by saying that no party should be allowed to pursue a dual policy of the type exemplified by DFFF [Finnish People's Democratic League] in the last government.

For those searching the heavens for signs of change, there is a great deal to look at in the composition of the latest government. The most noticeable new feature is that for the first time since 1970, the protest of the voters has not been ignored. Whether the experiment of including the Rural Party in the government succeeds or not, it is at least an attempt to follow the rule that the reactions of the voters should be apparent in the composition of the government.

The method of forming the government also had new elements. It may signal a return to the more direct forms of parliamentarianism that prevailed here in the past. It would be all the good if from now on we can avoid the haunting spectacles that forming a government turned into, especially in the 1970's. That does not mean that forming a government in a multi-party system like ours will ever be easy. But it seems unnecessary to us to formally approach parties one actually has no intention of accepting as government parties, for example, or to waste time in using various tactical maneuvers to "knock out" one party after another in government negotiations. This time, they headed straight from the start toward the coalition that was really intended to form the government and avoided purely superficial negotiations.

The man who has benefitted most from the new more rapid approach, of course, is government former Kalevi Sorsa himself. He has done a superb job of

pushing through some of his central objectives. Aside from the participation of the Rural Party and the new procedure for negotiation, there is also the premise that all parties should be represented in the government in proportion to their strength in parliament. The Social Democrats backed this premise so strongly that the Center Party, which was most affected by it, decided to go along. By including the Rural Party in the game, a nonsocialist majority was maintained. One can imagine situations when applying this premise would be more difficult and when a government with a leftist majority might confront a parliament with a nonsocialist majority.

While we should acknowledge Sorsa's firm leadership in forming the government, we should also point out that his position as the most important politician in the Third Republic has been further consolidated and that the political hegemony of the Social Democrats is also obvious. It is true that there is a majority of nonsocialist ministers, but there is marked lack of agreement among them and it is not certain that they can stand up against the big group of Social Democratic ministers. Only if the Conservative Party ever joins the government can the Social Democratic power position be broken.

Aside from a numerically strong representation in the government, the Social Democrats have also obtained several key posts for themselves. Two important ministries, the Ministry of the Interior (which is being divided in the fall into an Interior and an Environmental Ministry) and the Ministry of Commerce and Industry have now, contrary to custom, come under the control of a single party, the Social Democrats. It is especially important for the Social Democrats to hold the post of environmental minister at a time when the ministry is being organized. The foreign trade minister's portfolio makes it possible to exert influence on the Foreign Ministry, which has otherwise been turned over to the Center Party. But the Ministries of Education and Social Affairs will remain divided between two different parties, following tradition.

One of the most important events in the context of forming the government was the reduction of the Center Party's old excessive representation in the government. In many ways the new government means a new start for the Center Party. They have come in a situation where they have firm ground beneath their feet, on a more modest but also more realistic level than in the past.

Thus the coveted post of foreign minister remained in the hands of the Center Party. One can perhaps say that although the struggle for the Foreign Ministry was waged outwardly between the Center Party and the Swedish People's Party, the real interest of the Center Party lay in attaining a post where the party could successively assert itself against the Social Democrats. The struggle between the Center Party and the Social Democrats for the leadership of the Foreign Ministry has been a hard one and will probably remain so. In Kekkonen's day, the Center Party usually had the keys to foreign policy in its pocket. It has often been said that

the hegemony of the Center Party collapsed when Urho Kekkonen died and Ahti Karjalainen was pushed into the background. Apparently this increased the feeling of urgency among party strategists with respect to regaining some of the lost ground.

An important factor in Par Stenback's generally acknowledged success as head of the Foreign Ministry was that communications with the president functioned well and that there was a relationship of trust between the president and the foreign minister. Vayrynen without Kekkonen but with Koivisto is a new constellation. Vayrynen had very rough going to start with from a public opinion viewpoint, but it is probably most important for him to create a close and trusting relationship with the president. It would be of general interest if this happens, because no one can think that the international policy climate will become particularly pleasant in the near future.

The share of the Swedish People's Party in the new government was commented on yesterday in a separate editorial, which stated among other things that the final result for the Swedish People's Party of the quite dramatic government formation, at least from that party's viewpoint, was quite good. The new government constellation has been received with more reservations by the Swedish People's Party than by the other parties, and the fact that Stenback is missing from the government indicates a certain distance, whether intentional or not, even though it is offset by Taxell's continued involvement.

The party's position in the new government will also be interesting because one can hardly expect the nonsocialist government parties to always act and vote as a single bloc. The new middle coalition--if one may call it that--is more debatable than the old one and one can expect not only the Rural Party but also the Swedish People's Party to occasionally feel the need to demonstrate their independence.

It seems superfluous to embark on more detailed predictions of the length of time the government will survive. One thing is clear; for the sake of its own credibility, the Rural Party must remain in the government for a period of time, even though the same credibility could lead to the dissolution of the party at some point. The 1984 municipal elections will be an important landmark here. It should be observed that the government does not depend on the Rural Party for its majority. No double dealing of the kind DFFF was allowed to engage in for far too long should occur now, at any rate.

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## PAPER EXAMINES NEW GOVERNMENT'S ACTION PROGRAM

Helsinki HUFVUDSTADSBLADET in Swedish 5 May 83 p 2

[Editorial by Bjorn Mansson: "A Program for 4 Years"]

[Text] Today's second editorial by Bjorn Mansson comments on selected parts of the government program. The program's statements on constitutional reform and the so-called Swedish issues were dealt with yesterday.

The new government's program is somewhat general, which is natural since in the current situation it is difficult to make generous promises and also since the government has stated that it intends to remain in office for the entire election period. It remains to be seen how realistic this goal is, but it would undeniably take 4 years to carry out the program that on closer scrutiny proves to be quite substantial. The program does not lack noteworthy elements, although some of them can only be read between the lines, so to speak.

The foreign policy declaration that traditionally introduces the government's program follows the usual pattern, but in contrast to the old government's program, this one notes that the government will "cooperate in efforts to strengthen the authority of the United Nations." That is an important distinction and it also indirectly expresses the government's concern about the international situation.

In the area of economic policy, the obvious goals of checking inflation and reducing unemployment are mentioned. More concretely, it is indicated that the government would like to have central income settlements and that the upper limit of the possibilities of the public sector to stimulate the economy have now been reached. It is stated quite plainly that state borrowing for 1984 and 1985 will be cut in comparison to this year's level, a demand that was pushed hardest by the nonsocialists. The government is realistic enough not to promise lower taxes, but the goal is to keep the tax rate from rising more than 1 percent up to 1986.

One must question the statement that measures must be adopted "to increase the mobility of production factors." The middle parties and the Social

Democrats have long had different ideas about which factors should move, since the middle stresses capital mobility while the Social Democrats put the emphasis on labor mobility. No indication is given here as to where the priorities will be set. That is a lack that could also lead to fundamental conflicts.

Despite the participation of the Rural Party in the government, specifically in the Labor Ministry, no "6-month wonders" are promised as a solution to unemployment. Instead we now have the commendable goal that no young person under the age of 20 should be out of work. It should not be impossible for our welfare state to guarantee that.

Since we will probably have to live with some unemployment for the foreseeable future, the important thing to start with is to eliminate at least its worst social consequences. Therefore it is the right thing to do to focus on young people and the long-term unemployed. In cautious terms the program mentions a flexible pension age, a shorter and more flexible work schedule and more part-time work as possible ways of improving the unemployment situation. It is correct to try out all these methods.

Two important principles were established in the area of social policy, the first being that the general level of social protection should be maintained and the second that families with children should be given top priority. Promises made include children's subsidies for young people all the way up to 18 years of age, a long-sought reform that will now be introduced gradually. In accordance with the parties' campaign promises, immediate steps will be taken to correct the inequities resulting from the pension reform. The government parties must be aware that their credibility on this point is on the line.

The energy policy part of the program is one of the sections where one has to read between the lines. Since the only thing it says about nuclear energy is that the decision-making power is being transferred to parliament through a promised legislative reform, this can be viewed as a victory for the line of the middle parties. But in reality the decision has been postponed.

In the educational and cultural section, it is worthwhile that no cuts have been announced in the planned reform measures. But the section on housing policy, which is extremely meager and contains little that is new, is somewhat of a disappointment.

In the area of environmental policy, new legislation is now promised on water conservation, building safeguards, chemicals and nature conservation, which is a basic condition for the new environmental agency to function effectively. Without these laws, housing and planning matters can easily dominate the entire activity of the Environmental Ministry. In connection with the reference to building legislation changes, it states that the position of the municipalities in the planning system should be made stronger. What this means in concrete terms remains to be seen, but the statement is important.

And finally it is politically wise that the government program indicates a desire to work for enough decentralization of the administration that farming out of whole agencies and institutions can be avoided. We hope that this will end a tough struggle that ultimately involved a less important detail in the fundamentally important effort to bring the bureaucracy closer to the grass roots.

Although the government negotiators avoided large-scale and expensive promises, the program appears to be a kind of wish list. It is always relatively easy to agree on that kind of thing. It gets harder when the concrete decisions have to be made. The work on the budget in the fall will be the first big touchstone.

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## BRIEFS

PARTIES' YOUTH AGAINST NUCLEAR POWER--The youth organizations of the four parties proposing to form a government want the new government to reject plans for a fifth nuclear power plant. On Wednesday the four youth groups sent a position statement on energy policy to the party secretaries' task force. They called on the government parties to pursue an energy policy directed against nuclear power. The youth organizations also felt that the government program should make it clear that it is parliament that will make decisions on new nuclear power plants. The four organizations said the government program should refer to the desirability of passing a new nuclear power law without delay. It is not possible to take a final stand on a new nuclear power plant before the nuclear energy law is debated. The statement was signed by the youth organizations of the Social Democratic Party, the Center Party, the Swedish People's Party and the Finnish Rural Party. Swedish Youth, the youth organization of the Swedish People's Party initiated the move. [Text] [Helsinki HUFVUDSTADS-BLADET in Swedish 28 Apr 83 p 13] 6578

CSO: 3650/186

## KKE SECRETARY GENERAL SPEAKS AT KARL MARX CONFERENCE IN BERLIN

AU271430 East Berlin NEUES DEUTSCHLAND in German 18 Apr 83 pp 13, 14

[Speech by Kharilaos Florakis, secretary general of the Central Committee of the Greek Communist Party (KKE) at the International Karl Marx Conference in Berlin on 16 April]

[Text] Dear comrades and friends: We regard it as an honor to be able to participate in this great international meeting on the 100th anniversary of the death of the titan of revolutionary thought and action, Karl Marx, who, together with his equal costruggler Friedrich Engels, founded Marxism as the concept of the world of the proletariat. These 100 years comprise the continuation and further development of Marxism by the other giant of the thoughts and actions of the workers' movement, Vladimir Ilyich Lenin. Marxism has developed into Marxism-Leninism. In the fire of the class struggle Marxism-Leninism has won over the minds of the working people: It became the most vital force for changing the world for the better. Today it is exerting its influence not only in Europe but throughout the world at large. It has become the dominant ideology in a large part of the world. The doctrine of Marxism-Leninism has proved to be true in life. The greatest revolutionary transformations in human society were illuminated by its refulgence. From this doctrine springs the great interest in it as well as the clash of ideas.

But even though the development of the class struggle in our era is proceeding in favor of socialism and against capitalism this does not mean that the monopolies which are now ruling in the capitalist world have restricted the war against the ideas of Marx and Engels and of their continuer Lenin. Quite the contrary. Today imperialism, primarily U.S. imperialism, under the conditions of a growing crisis of state monopoly capitalism is setting in motion an enormous apparatus in order to achieve its objectives in the capitlist world, to suppress the workers' movement and the national liberation movement, to ideologically subvert the struggle of the proletariat and to undermine the cause of socialism.

But regardless of how much President Reagan, the modern outrider of anti-communism, slanders communism as the "biggest crime" of our era--the fact alone that he is toiling day and night to fight communism shows the correctness and dynamic of Marx's work. It is becoming more and more evident that

capitalism alone is the source of all the sufferings of mankind and of the wars in our era.

In his speech Comrade Honecker reminded us of Marx's thesis that with socialism a new society is being built "whose international principle will be peace because the same principle will prevail in each nation--work!"\*

This is how the great founder of scientific socialism figuratively and appropriately described the new social system which is closely intertwined with peace, the most universal problem of mankind today.

We communists believe that Marx's words about socialism and peace are finding their confirmation in the peace policy of the Soviet Union and of the other countries of real socialism, in their tireless struggle for preventing the danger of a worldwide thermonuclear war.

His words are also being confirmed by the fact that the communist parties of the world are standing in the front line in the struggle for the preservation of peace--a struggle which, because of the imperialist policy of cold war today, constitutes the main task of mankind. We categorically reject the view that peace can also be threatened through the policy of real socialism.

The U.S. imperialists insist, supported by their main NATO allies, on the deployment of U.S. intermediate-range missiles in Europe. They strive to violate the agreed military-strategic equilibrium, and want to deprive the Soviet Union of the possibility of responding to a nuclear arms strike. Hence we have reached a very critical point: Either the destruction of humanity or its being led into an inferno through an unimaginable arms hysteria, or, the peoples will halt this deadly course in order to resurrect the policy of detente and of substantial negotiations on the basis of the principle of a balance of forces.

Hence we must underscore how necessary it is to do everything possible to activate on a large scale the awareness of the people, regardless of their ideological-political or other positions, in the struggle for the preservation of world peace.

Reagan's past proposals are not aimed at limiting strategic arms but at implementing the unacceptable U.S. arms drive. We support the most recent proposals of the Political Consultative Committee of the Warsaw Pact member states for limiting thermonuclear arms on the basis of equality and equal security.

We share the anxiety of the peoples of Europe and the United States who are declaring their determination to foil the deployment of U.S. intermediate-range

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\*"First Address of the General Council on the German-French War." In Karl Marx/Friedrich Engels, "WORKS," Vol. 17, p 7.

missiles in Europe decided for this year, because otherwise an extremely dangerous arms spiral would begin which can lead not only Europe but the entire world into ruin.

Together with the fraternal parties we are deeply convinced that the joint struggle of all peace-loving forces in the world is able to thwart the plans of the imperialists and to secure world peace. It is absolutely necessary to intensify this struggle. Attempts to split these forces can entail fateful consequences for mankind. We declare our readiness to participate in any international manifestation and to support any measure for a "freeze" of armaments, for their limitation, for disarmament, for peace and for peaceful coexistence.

In Greece where the people have confirmed with their votes the request for the elimination of the U.S. NATO bases and are still demanding that they be dismantled, the U.S. imperialists are exerting unimaginable pressure, and in doing so they are employing every possible means of provocation and destabilization in order to obtain an extension and expansion of the status of the bases. They are encouraging the chauvinist intentions of the military junta in Ankara. They want to transform Greece into a bridgehead against socialism and the neighboring peoples. Thus they are moving our country into the center of the thermonuclear threat in the Mediterranean.

In our country other peace movements beyond those which are influenced by the KKE, such as the socialists of the ruling PASOK Party and other democrats, even conservatives, are sharing these apprehensions with the communists. Evidence of this are the many mass rallies for detente and against the U.S. bases. These mass rallies have practically enveloped the entire country. Naturally we cannot content ourselves with these. There still exists a group which permits itself to be misled by the pro-NATO policy of the rightists. There are people who have not yet grasped the danger. We must explain it to them.

Our party is doing everything possible and will also do so in the future to develop this struggle in our country by enlisting all those who, regardless of their different views, cherish peace and want to struggle for it.

Dear comrades, Marx foresaw that among all the classes of the present capitalist society the workers' class is the only one which has a future and is in a position to place itself at the head of all working people, of all oppressed people in their struggle for the revolutionary replacement of capitalism with a classless society, for socialism and communism. This is its historic mission. And life is justifying this vision. Life disproves the assertion that the role of the workers' class has decreased in our era. Quite the contrary: Its numerical strength is growing everywhere. [Words indistinct] In the capitalist countries its ranks are swelling with people from other social strata.

Despite all the concessions and maneuvers with which it wanted to deceive the working people and to avoid defeat, capitalism has deepened the crisis of this system and has exacerbated unemployment and a number of other social phenomena.

More and more working people and honest men are listening to the ideas of scientific socialism. Because the revolutionary theory of Marx is inseparably linked with practical life and progress. This is what causes its tremendous vitality and this makes this theory ever topical.

Regardless of the developments which it has undergone, capitalism remains a system of exploitation and oppression. It is being shaken by anarchy and crises and causes immense sufferings among the working people. And despite the many gains which it has achieved through its struggles, the workers' class remains an exploited and oppressed class. It remains the only support of the socialist production conditions and the competent leader in the struggle of all oppressed and exploited for the overthrow of capitalism and for establishing socialism.

Since the nature of capitalism has not changed it is only natural that only the revolutionary road of Marxism-Leninism can lead to social change and to the building of socialism, that is, by establishing the rule of all working people, a power which under the leadership of the proletariat will be able to build socialism on the basis of the general laws and in the light of the specific characteristics of each country and to defend it against the inevitable attempts of the bourgeoisie to overthrow it.

In its essence Marxism is creative and open to progress. It is undergoing a constant development. This also is what materialistic dialectics requires and promotes. Some of its detailed problems are modified or cease to be valid once the situation to which they corresponded no longer exists and are replaced with others which agree with the new situation.

Some people, on behalf of the "development" and "renewal" of Marxism, refute Leninism with the argument that it has allegedly "been made obsolete by life." But the theses which are being presented as new are old, even older than Leninism. These are theses which refute the revolutionary course of the struggle and propose a reformist course, a course of gradual reforms, a road which has proved to be absolutely unsuitable in practice. This is also where the concept of so-called Eurocommunism leads to. We believe Leninism to be the most brilliant embodiment of the development of Marxism under the conditions of imperialism and the proletarian revolution and national liberation revolutions, of the transition from capitalism to socialism. He who rejects it denies the idea of the development of Marxism itself. For us Leninism cannot be separated from Marxism, just as its further development by the communist and workers' parties in the world is inseparable from Marxism-Leninism.

Our Marxism is a militant concept of the world. At the same time it is also the intellectual weapon of the scientist and an irreplaceable weapon of the struggler for socialism, the combat program for transforming the world. These two aspects of Marxism are inseparably linked with one another.

Relying on Marxism-Leninism, our party has examined the situation in our country and has defined the nature of the revolution with us as a uniform revolutionary process with two closely linked stages, an anti-imperialist, antimonopolist and democratic stage and a socialist one.

It immediately struggles for a genuine change in the development of our country with the prospect of an anti-imperialist, antimonopolistic democracy of the people and of socialism. What is involved is an aggregate of objectives with an anti-imperialist, antimonopolistic orientation which can facilitate the struggle to rally the majority of working people in one front in order to establish the anti-imperialist, antimonopolistic democracy of the people. Naturally achieving this aim requires a hard struggle.

Life has repeatedly shown in the past, for example, after the October 1981 elections, that a change is impossible without the communists. It became evident at the same time, however, that implementing a change requires the action unity of all those forces which in one way or another are interested in such a change.

Our party is making particular efforts in the struggle to create the proper prerequisites for an actual change in order to forge the unity of the people and to develop the mass movement in the aforementioned direction. At the same time it is ready, together with any other party, any movement and with all personalities which wish to cooperate with it, to struggle for an actual change.

It is self-evident that we regard the constant consolidation and development of its ranks and of its links with the fundamental guarantee for achieving the goals of the KKE.

Dear comrades and friends, the road of the revolutionary and progressive movement of each country depends more and more on the overall world situation and on the road of the revolutionary world movement. All this requires the strengthening of the international solidarity of the working people, of the international unity of their actions which are indispensable prerequisites for the victory both of each individual people and of the entire movement.

Taking into consideration this vital necessity of proletarian internationalism, our party is increasingly developing its relations not only with the communist and workers' parties but also with the progressive movements, parties and regimes. It will pursue this policy even more resolutely in the future.

In conclusion we deem it necessary to emphasize that in our profoundly held opinion it is particularly necessary under the present conditions, which are so critical for the future of mankind, that the joint actions of all revolutionary forces of our era for solving the great burning problems of humanity, for disarmament, for peace, for a new international economic system, and for a broad support of the peoples struggling against neocolonialism, for democracy and national liberation, find a proper expression.

We demand that the Turkish occupation troops and the foreign troops evacuate Cyprus.

We demand the withdrawal of the imperialist mercenaries from Nicaragua, the discontinuation of Israel's threats against Syria, the withdrawal of the Israeli invasion troops from Lebanon, and the recognition of the rights of the Palestinian people to a state of their own.

We express our cordial thanks to the fraternal SED for the honorable invitation to participate in this meeting on the anniversary of the great Marx.

I thank you.

CSO: 3620/346

## BIOGRAPHIC DATA ON NEWLY ELECTED APU DEPUTIES

Lisbon AVANTE! in Portuguese 29 Apr 83 S ppl. pp 7-10

[Biographies of the 44 APU (United People's Alliance) deputies elected to the Assembly of the Republic]

[Text] From Lisbon

## Alvaro Cunhal (PCP)

Secretary General of the PCP [Portuguese Communist Party]. Doctor of Laws. Born in Coimbra in 1913. Began his revolutionary activity as a student. Joined the PCP in 1931. In 1935 was elected secretary general of the Portuguese Federation of Communist Youth. Participated actively in the reorganization of the PCP in 1940/1941. Called to the secretariat in 1942. Elected secretary general of the PCP in 1961. Spent a total of 13 years as a prisoner of the fascists, 11 of those years in succession and 8 of them in complete isolation. Author of extensive theoretical works. Several of his books and articles are widely read in Portugal and abroad. Minister without portfolio in the First, Second, Third and Fourth Provisional Governments. Elected deputy to the Constituent Assembly in 1975 and to the Assembly of the Republic in 1976, 1979 and 1980. Member of the Council of State.

## Octavio Pato (PCP)

Member of the Political Commission and Secretariat of the PCP Central Committee [CC]. Born in 1925 in Vila Franca de Xira. Joined the PCP at the age of 16. Went underground in 1945. In 1948 he was instrumental in the creation of the MUD [Democratic Union Movement]-Youth, in which he became a worker and leader. In 1949, strictly clandestine, he was called to lead the ORL. Alternate member of the CC in 1949; became an active member in 1952, and was named to the Secretariat. Spent 9 years in prison under security. Released in 1970, he went into hiding again. Deputy to the Constituent Assembly. Candidate for the presidency of the republic in 1976, and deputy to the Assembly of the Republic in 1976, 1979 and 1980.

## Veiga de Oliveira (PCP)

Member of the PCP Central Committee. Born in 1929 in Ervedosa do Douro. Civil engineering degree from the University of Porto in 1952. Minister of transportation in the Fourth Provisional Government and minister of public equipment and public works in the Sixth Provisional Government. Member of the MUD-Youth,

taking an active part in the student struggles and in the presidential campaign of Norton de Matos. Member of the PCP since 1954. Went underground in 1958. Arrested in 1965, was brutally tortured. Released 5 years later. Deputy the Assembly of the Republic in 1976, 1979 and 1980, and vice president of the PCP Parliamentary Group.

Maria Alda Nogueira (PCP)

Member of the PCP Central Committee. Degree in physics-chemistry. Born in Lisbon in 1923. Joined the Young Communists while at the university. Member of the Red Relief, the Portuguese Women's Association and the National Council of Portuguese Women for Peace. Member of the PCP cell in the Faculty of Sciences and the PCP organ for women's action. Went underground in 1949 and worked as an editor of AVANTE!. Sentenced to serve 9 years in the fascist prisons. Deputy to the Assembly of the Republic in 1976, 1979 and 1980 and also deputy of the Constituent Assembly. Member of the Executive Council of the Interparliamentary Union. Vice president of the PCP Parliamentary Group.

Georgette Ferreira (PCP)

Textile worker. Born in Alhandra in 1925. Went to work at the age of 8. Member of the PCP Central Committee. Joined the PCP in 1943, went underground in 1945. Elected to the Central Committee in 1952. In 1944 led a successful strike of the seamstresses. Arrested twice, she was released the first time and was jailed for 5 years the second time. Attended meetings abroad of the WIDF, WFTU, etc., After 1965, held leadership positions in Lisbon, Porto and Setubal. Deputy of the Constituent Assembly in 1975 and deputy of the Assembly of the Republic in 1976 and 1980. Candidate for the district of Europa in 1979.

Odete Filipe (PCP)

Metalworker with the Luis Pedro Mendonca firm. Union delegate and member of the CT [Workers Committee] from 1974 to 1978. Took part in the struggle to save jobs and against the denationalization of the company by Mario Soares' Socialist Party administration. Arrested six times by the GNR [Republican National Guard] and taken to court. Director of the Lisbon Metalworkers Union in 1978 and 1979. Ran for deputy of the Assembly of the Republic. In 1980 was elected to the secretariat of the Lisbon Union Federation [USL] and was reelected at the first congress of the USL in November 1982. Member of the national directorate of the Women's Democratic Movement.

Jose Manuel Tengarrinha (MDP )

University professor (Portuguese history, in the Lisbon Faculty of Letters). President of the National Committee of the MDP/CDE [Portuguese Democratic Movement/Democratic Electoral Commission]. Member of the World Council of Peace. Born in Portimao in 1932. Began his political activity at 15, joining the MUD-Youth. Arrested and tortured several times. In 1969 was one of the founders of the CDE. Participated in the organization of the Second Congress of the Democratic Opposition and was CDE candidate for Lisbon. Deputy of the MDB/CDE in the 1975, 1979 and 1980 legislatures. Author of several books and texts in history and the social sciences.

Anselmo Anibal (Independent)

PhD in philosophy from the University of Lisbon in 1965. Aged 40. Student leader between 1963 and 1965. President of the Pro-Association of the Faculty of Letters. In 1965 served on the secretariat of the RIA  
Banned from all Portuguese universities for 1 year because of his associative activities. Professor of personnel management at the Superior Institute of Economics since 1976. Secretary of state for public administration during the Fifth Provisional Government. Served as vice president of the Institute of Education Technology. APU councilman on the Lisbon Municipal Chamber since 1977. Deputy of the Assembly of the Republic since 1980.

Jeronimo de Sousa (PCP)

Metalworker. Aged 35. Native of Santa Iria de Azoia, Loures. Alternate member of the PCP Central Committee and DORL [Lisbon Regional Organization Directorate]. Deputy of the Constituent Assembly. Deputy of the Assembly of the Republic since 1976. Vice president of the AR Labor Committee, vice president of the PCP Parliamentary Group, member of the secretariat of the CIL and the Workers Committee of the MEC.  
Director of the Lisbon Metalworkers Union in 1973/1975. Member of the task force of the Vila Franca de Xua metalworkers, which in 1973 had a decisive role in developing the metalworkers union.

Carlos Carvalhas (PCP)

Economist. Aged 40. Alternate member of the PCP Central Committee. Secretary of state for labor from the First to the Fifth Provisional Government. PCP deputy in the first legislature of the Assembly of the Republic and member of the Portuguese parliamentary delegation to the Council of Europe. Director of NOTICIAS DA AMADURA, contributed to SEARA NOVA and other magazines. Before 25 April [1974], represented the workers in negotiating the collective contracts for accountants, guards, office employees and metalworkers. Vice chairman of the National Planning Council and director of the magazine ECONOMIA.

Silva Graca (PCP)

Doctor of medicine. Born in Inhambane, Mozambique, in 1937. Councilman of the Lisbon Municipal Chamber since 1976. Councilman full-time in 1978/1979, responsible for public works. Member of the Committee for the Autarchies of the PCP Central Committee and of the Local Lisbon Committee. Joined the PCP in 1962 as a university student. Directed the [PCP] student movement. Prohibited from holding public office by the fascist regime, he began his professional activity in 1966 at the Biology Center of the Calouste Gulbenkian Foundation, where he is a researcher. Deputy of the Assembly of the Republic since January 1981.

Jorge Lemos (PCP)

Professor. Native of Lisbon. Aged 31. PCP sympathizer since 1971 and member of the UEC [Union of Communist Students] since April 1974. Collaborated with the CDE in 1969 and then with the MDP/CDE in 1973. Director of the Students' Association of the Lisbon Faculty of Letters in 1972/1973. Suspended twice for his anti-fascist activity. PCP deputy since July 1977, he has devoted himself to matters of public communication and problems of education and teaching.

Member of the Municipal Assembly of Amadora, elected by the APU in December 1982. In 1976, he was a member of the secretariat of the PCP Organization of Lisbon Professors.

#### Joao Amaral (PCP)

Aged 30. Law degree. Civil Service employee. Participated actively in the democratic student movement in the Faculty of Law, University of Coimbra. Secretary general of the Porto Metalworkers Union from 1972 to 1974. After 1975, member of the office of support to the PCP Parliamentary Group. Elected deputy to the Assembly of the Republic by the Lisbon electoral circle. Ran unsuccessfully as the APU candidate for Castelo Branco. Resumed his duties with the PCP Parliamentary Group. Member of the PCP since 1967.

#### Manuel Lopes (Independent)

Textile worker. Aged 39. Member of the national secretariat of the Executive Committee of the CGTP-IN [General Federation of Portuguese Workers-National Intersindical]. Deputy during the Second Legislature. Took part in the founding of the INTERSINDICAL; member of its coordinating commission from 1970 to 1975. Member of the secretariat of the Federation of Textile, Woolen and Garment Workers Unions. Member of the JOC [Catholic Labor Youth]. Worker on the Workers' Cultural Center. Member of the Publishing Council of TEMPO E O MODO. Member of the CDE before 25 April.

#### Jose Luis Judas (PCP)

Member of the National Council and Executive Committee of the CGTP-IN. Aged 30. In 1969, ran for the CDE in the campaign of the Democratic Opposition, began his union activity in the Lisbon Office Workers Union. In 1971, elected to the Directive Committee of the Civil Construction Sector of that union. In 1973, ran for election on the MDP/CDE ticket. In 1974, elected to the directorate of the Office Workers Union after the puppet directorate was expelled. Elected in 1975 to the secretariat of INTERSINDICAL and to the National Council in the Fourth Congress of the federation.

#### From Faro

#### Carlos Brito (PCP)

Aged 50. Member of the Political Commission of the PCP Central Committee. Arrested three times by the fascist police. In 1957, escaped from the Aljube prison. Elected deputy of the Constituent Assembly in 1975, representing Faro. Chairman of the PCP Parliamentary group since it began to function in the Assembly of the Republic.

#### Margarida Tengarrinha (PCP)

Secondary school teacher. Member of the PCP Central Committee. Aged 54. APU candidate from Algarve in all elections for the Assembly of the Republic. Member of the Portimao Municipal Assembly, elected on the APU ticket in 1982. Joined the PCP in 1952. Member of the Central Committee since May 1974.

From Aveiro

Zita Seabra (PCP)

Member of the PCP Central Committee. Aged 54. PCP member for 15 years. Went underground in 1967, working with the student sector and as a member of the UEC since its founding in 1972. Deputy to the Assembly of the Republic.

From Porto

Carlos Costa (PCP)

Native of Fafa. PCP member at an early age. One of the founders of the MUD-Youth and later a member of its Central Committee. Arrested for the first time at age 20. In 1960, with Alvaro Cunhal and other comrades, took part in the historic escape from Peniche. Spent about 15 years of his life in fascist prisons. Currently a member of the Political Commission and Secretariat of the PCP Central Committee. Aged 55.

Angelo Veloso (PCP)

Alternate member of the Political Commission of the PCP Central Committee. Native of Porto. Aged 52. Joined the MUD-Youth in high school. Member of the PCP since 1949. Arrested for the first time at 19 years of age, charged with membership in the MUD-Youth. Arrested for the second time in 1955. Was one of the first seven defendants in the celebrated "Trial of the 52." In all, spent about 11 years in prison. Released on 26 April 1974 from the Peniche prison. Has lived in Porto since then.

Lino Lima (PCP)

Member of the PCP since 1941. Attorney. Native of Porto. Aged 66. Member since 1945 of the Democratic Opposition in Braga District. As an attorney, pled many cases in the Porto General Court, defending PCP members and other democrats. PCP deputy of the Assembly of the Republic since 1976. Member of the Magistracy Council of the Assembly of the Republic.

Raul Castro (MDP)

Member of the secretariat of the MDP/CDE and vice chairman of the National Committee. Aged 61. Porto attorney. Distinguished activist in the Democratic Opposition during the fascist regime. Ran in all the electoral campaigns with the Opposition.

Antonio Mota (PCP)

Alternate member of the PCP Central Committee and the DORP. Has been deputy of the Assembly of the Republic and is a member of the Porto Municipal Assembly. Aged 46. Metalworker. One of the founders of the INTERSINDICAL. In 1972 was elected representative of the Portuguese workers to the ILO; was presented from participating in the delegation by the fascist government.

From Braga

Antonio Lopes (PCP)

Native of Santa Tirso. Aged 35. Physical education teacher. Campaigned for the Democratic Opposition in the 1969 election. Arrested by the PIDE.

[International and State Defense Police] during the mass May Day demonstration in Porto in 1971. On 25 April [1974] he was a clandestine member in the PCP Beiras organization. Member of the PCP Central Committee. Candidate in various elections for the Assembly of the Republic since 25 April.

From Setubal

Domingos Abrantes (PCP)

Member of the Political Commission and Secretariat of the PCP Central Committee. Aged 47. Joined the party when he was 18. Arrested twice, spent a total of 11 years in fascist prisons. Deputy of the Assembly of the Republic.

Jose Vitoriano (PCP)

Member of the Political Commission of the PCP Central Committee. Aged 66. President of the Algarve Cork Workers Union. Arrested twice by the PIDE, first in 1948. Spent over 17 years in fascist prisons. In 1976 was elected to the Assembly of the Republic from Faro. Served as vice president, a post to which he was elected in successive legislatures.

Jose Manuel Mala (PCP)

Alternate member of the PCP Central Committee. Metalworker. Was a member of the General Council of workers of LISNAVE [Lisbon Shipyards]. Deputy of the Assembly of the Republic.

Odete Santos (PCP)

Attorney. Aged 42. Deputy in the 1980/1983 legislature. Member of the Setubal District Commission of the PCP. Member of the National Council of the MDM [Women's Democratic Movement] Member of the Setubal Municipal Assembly.

Rogério Brito (PCP)

Agricultural engineer. Aged 37. Deputy to the Assembly of the Republic in the 1980/1983 legislature.

Joao Corregedor da Fonseca (MDP)

Journalist. Aged 44. Native of Porto. Union activist. Member of the MDP National Committee. Was deputy in the second legislature.

Carlos Espadinha (PCP)

Fisherman in Sines. Aged 38. Member of the Sines Municipal Commission of the PCP. Member of the Fishing Workers Union in Setubal District. Deputy of the Assembly of the Republic in the 1980/1983 legislature.

Jorge Patricio (PCP)

Worker at SETENAVE [Setubal Shipyards]. Aged 24. Member of the Central Commission of the JCP [Communist Party Youth]. Deputy of the Assembly of the Republic in the 1980/1983 legislature.

From Santarem

Antonio Dias Lourenco (PCP)

Metalworker. Joined the PCP in 1932. Arrested twice, spent a total of 17 years in prison. Member of the Political Commission of the PCP Central Committee. Aged 68. Director of AVANTE!. Deputy of the Constituent Assembly and of the Assembly of the Republic.

Raimundo Cabral (PCP)

Farm worker, Aged 33. PCP member since 1972. Voting member of the Alpiarca Municipal Assembly. Alternate member of the Political Commission of the PCP Central Committee.

Alvaro Brasileiro (PCP)

Native of Alpiarca. Aged 47. Farm worker. PCP member since 1960. Distinguished fighter in defense of the farm workers, spent 16 months in prison. CDE candidate in 1973. Member of the Alpiarca Municipal Assembly. Deputy of the Assembly of the Republic.

From Portalegre

Joaquim Miranda (PCP)

Native of Portalegre. Aged 32. Economist. Member of the Portalegre District Commission of the PCP. PCP deputy from Portalegre District and member of the secretariat of the PCP Parliamentary Group. Councilman on the Portalegre Municipal Chamber from 1978 to 1979. Member of the Portalegre Municipal Assembly.

From Coimbra

Jaime Serra (PCP)

Aged 62. Married, four sons. Naval metalworker. Industrial training. PCP member since 1935, arrested four times, escaped three times; the last escape was from Peniche in 1960. He was not arrested again in 14 years of clandestine activity, which he engaged in until 25 April 1974, in the interior of the country, where he was fiercely persecuted.

From Evora

Antonio Murteira (PCP)

Agricultural engineer. Aged 35. Native of Sao Manceos (Evora). Member of the PCP Central Committee and DORA [Alentejo-Algarve Regional Organization Directorate. Before 25 April was a member of the PCP Evora Local Committee. Member of the organizing committee of the First Conference of Southern Agricultural Workers, which marked the beginning of the organized drive for agrarian reform in Portugal. Ran for deputy of the Constituent Assembly in 1975 and in 1979 was elected to the Evora Municipal Assembly.

Custodio Gingao (PCP)

Farm worker. Aged 40. Native of Montemor -o-Novo. Deputy of the Assembly of the Republic for the district since 1976. Member of the Secretariat of the PCP Parliamentary Group. Member of the Montemor-o-Novo Municipal Assembly. Member of the Red Carnation UCP/Cooperative, and its director. Member of the PCP Montemor Municipal Commission. PCP member since 1962.

Antonio Vidigal Amaro (PCP)

Physician. Aged 41. Native of Lisbon; resident of the municipality of Portel. Health Ministry delegate in Portel, where he has engaged in significant activity on behalf of the residents. Deputy of the Assembly of the Republic since 1980. Member of the Portel Municipal Commission of the PCP. Party member since 1974.

From Leiria

Joaquim Gomes (PCP)

Glassworker. Aged 66. Native of Marinha Grande. Labor leader. Prominent antifascist fighter. Spent 22 years in hiding and spent several years in fascist prisons, from which he escaped twice. He has been a PCP member since 1965. Currently a member of the Secretariat and the Political Commission. Deputy of the Assembly of the Republic for Leiria District since 1976 and member of the Parliamentary Defense Committee.

From Beja

Jose Soeiro (PCP)

Aged 35. Farm worker; native of Salvada. President of the Directorate of the Beja Farm Workers Union from May 1974 to March 1978. Most of his activity is connected with the struggle to win work contracts for rural labor and with agrarian reform. Delegate of the CGTP-IN to the Congress of the General Federation of Agriculture, held in France in February 1977. Alternate member of the PCP Central Committee and member of the Alentejo Regional Directorate of the PCP. Candidate of the APU to the Beja Municipal Chamber in 1976 and to the Assembly of the Republic in 1980

Francisco Miguel (PCP)

Native of Baleizao. Aged 75. Shoe manufacturer. Member of the PCP since 1932 and of its CC since 1939. Spent more than 21 years in fascist prisons. Was twice a prisoner in the Tarrafal concentration camp, where he spent 8 years and 1 month. He was the last prisoner to be liberated. Escaped from fascist prisons four times, taking part in the escape from Peniche (3 March 1960) with Alvaro Cunhal and other comrades, and from Caxias (4 December 1961), with other party members. Deputy of the Constituent Assembly and of the Assembly of the Republic for Beja District from 1975 to the present.

Belchior Alves Pereira (PCP)

Aged 56. Joined the MUD-Youth in 1946. Member of the PCP since 1949. Arrested for the first time in 1947, arrested again in 1951 and in 1958 (following the campaign of Arlindo Vicente and Humberto Delgado). Spent a total of 7 years in PIDE jails. Member of the PCP Beja Municipal Commission since 1974. Activity is connected with small and medium businessmen. Member of the District Commission. President of the Beja Municipal Assembly from 1976 to 1979. Currently first secretary.

## POLITICAL, LABOR THREAT POSED BY COMMUNISTS

Madrid ABC in Spanish 12 Apr 83 p 29

[Editorial by Juan Manuel Fanjul Sedeno: "The Power of the Communist Party"]

[Text] The Communist Party is not deceiving us. This thought constitutes an effective key to understanding the jigsaw puzzle of our present political scene. Since the party's electoral debacle in October 1982, first Santiago Carrillo and then Gerardo Iglesias have proclaimed, as an answer to that failure, application of one of the party's traditional methods of operation: mobilization of the masses. We do not have the votes, they seemed to say, but we have the masses. Of course, they do not have masses large enough to be transformed into victories at the polls, but they do have them in sufficient number to be used in a Machiavellian political strategy. Just as in modern corporations with hundreds of thousands of shareholders, it is not the majority that decides but, rather, "the controlling minority," which is bolder and more concerned, so, in free, democratic political societies, especially in their labor component, a disciplined and determined minority--the communist masses--can be used effectively as an instrument of power.

This tactic operates on two fronts. One objective, the immediate one, is to get the public excited and to magnify every opportunity to destabilize or confuse, whether or not the matter has anything to do with politics. They will use anything from a poor colza harvest or local or sleep-walking incidents in any neighborhood, through NATO, the sentencing of a journalist, to labor unrest in Gijon, Sagunto or the Andalucian countryside, radioactive waste and Donana's ducks. Look in the newspapers and you will see that a week rarely goes by in which there is not an outbreak of street violence, previously arranged, somewhere in Spain. Or else they skillfully take advantage of some unforeseen event that, thanks to excellent preparation, the agitating groups can portray as a "spontaneous" public reaction of a naturally disturbing kind.

All these incidents, which, viewed exactly and truly, are unimportant, have more far-reaching ends, based on the scandalous magnification that sensationalist news media give them.

The second objective is a self-evident reality, achieved by means of a perfectly logical transmission belt: Communist Party to Workers Commissions

to UGT (General Union of Workers) to Socialist Party. And the government is left hanging on the ropes.

The Workers Commissions, as its confederation, sector and industry leaders have said repeatedly, is already a pole of labor inconformity. The Communists have lost the union elections (though they deny it), but they maintain their energetic, rancorous and resolute positions within the industry committees. Encouraged by the party, these leaders maximize wage disputes, burn agreements and transfer them from the normal platform of wage and benefit negotiations to a "workers versus management" convulsion that transcends natural working place differences and substitutes a Marxist class struggle. They throw down the gauntlet at the first negotiating session without even waiting for a dialog to develop; they stir up trouble and even break off negotiations publicly, attributing responsibility, naturally, to management's "unmannerliness"; then they pass on, successively, to striking and picketing and, if the situation is promising, to demonstrating and carrying signs. This is the promised mobilization of the masses. There is no deception.

But now the most dangerous result of this tactic appears. In this climate, the UGT finds itself overtaken with respect to workers' demands, leadership of the maximalist forces and the demagogic attraction of the methods employed. If it refuses to go along with the tactic, it is accused of toadying to the government and runs the risk of losing its members and trade union hegemony. The Workers Commissions are overrunning it, and it cannot fall behind. It is necessary to put itself on an equal footing, "to preserve its image," to flee forward. And so the governing party's labor confederation has to adopt the same policies, take the same tone and distance itself from the government to the same degree as the Workers Commissions backed by the Communist Party. They are not capable of vigorously advancing a policy of true union professionalism, of sincere socio-economic understanding, of national responsibility in the face of the national and world crises--perhaps it is impossible for them to do so.

But, by not doing it and soon, by not separating themselves from the extremist policies that the Workers Commissions are following in the industry committees and at the negotiating tables, they are going to put the government--"their" government--in the indefensible position of "shouldering the blame" for the already miserable economy that we have. Let us not forget that, while socialism is good at distributing wealth, it has never created wealth. The French case could turn out to be child's play, if one compares our inflation, our trade balance and our currency problems with theirs. The UGT is faced at this very moment with a crucial choice: either let itself be swept along with the labor whirlwind stirred up by the Communist Party (with the conscious intention of doing the Socialist Party in and regaining its lost voter support) or pursue a trade union and economic policy--apparently unpopular but constructive--within a framework of urgent national cooperation involving general and mutual sacrifices by all concerned, including business.

The challenge posed by the Communist Party and Workers Commissions is beginning to be palpable and shameless; present circumstances do not allow for experiments, and the government has to realize that neither its 200 deputies nor the "Official Bulletin" is enough to legitimize--and save--its policies, that what is needed, among other urgent things, is that its labor confederation redirect its policies seriously and firmly--redirect them toward an economic policy of national salvation.

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CSO: 3548/375

## PALME: CONSERVATIVES THREATEN PEACE BY ASKING FREEDOM FOR EAST

Stockholm DAGENS NYHETER in Swedish 25 Mar 83 p 6

[Article by Sven Svensson]

[Text] "The Conservative Party is playing an irresponsible game with the basic issues concerning Sweden's security."

So said Prime Minister Olof Palme during a speech in Nynashamn on Thursday evening. Palme expressed the belief that Conservative demands for a "liberation" of East Europe entail an end to the policy of detente and an increased risk of war.

Palme's words are an indication that his criticism of the Conservative Party's security policy during the debate on foreign policy will continue for several months. His speech was clearly concerned with matters of principle, and no specific issues were discussed.

Palme said: "We Social Democrats demand freedom and democracy for all people." He emphasized that the Social Democrats repudiate communist dictatorships, but that they also repudiate oppression in rightwing dictatorships.

Of greater importance is the dividing line that shows up in the Conservative Party's inclination to view the struggle for human rights from a military-political perspective.

Palme went on to say that the Social Democratic peace policy is aimed at working for detente between the leading big power blocs and for specific disarmament measures.

#### Crusade Philosophy

"Such a policy makes it easier for a country situated at the point of intersection between big power blocs to preserve its peace and independence and pursue its policy of neutrality. Our peace depends primarily not on the strength of our defense force but on the credibility of our will and ability to stick to our foreign policy line."

Palme continued: "The Conservative Party's attitude differs from ours. The Conservatives feel that the defense force is our most important contribution to peace. Their description of the arms situation and their viewpoints on the disarmament issue are based essentially on NATO viewpoints.

"Above all, the Conservatives seem to have the idea that a condition for peace is that the system in East Europe be subverted through pressure from outside. That crusade philosophy has its roots in the Cold War and is upheld at present by many conservative circles in the West. What it means," said Palme, "is an end to the policy of detente and a greater risk of war."

#### Risk of War

Swedish adherence to such a crusade policy would quickly undermine the credibility of our neutrality policy. If we behave as an outpost of the Western alliance in peacetime, we will destroy our chances of remaining uninvolved in a future major war. We would risk being drawn into such a war on the very first day."

Palme continued: "We would be placing ourselves in the worst of all positions: that of appearing in practice as a member of a military alliance without being able to benefit from its advantages."

Palme added: "The Social Democrats want to unite the nation around a firm and consistent Swedish neutrality policy based on a defense force that is strong in terms of our circumstances. The neutrality policy constitutes the best bulwark for our peace, and it does not prevent us from upholding democratic freedoms and human rights."

11798

CSO: 3650/149

## REASONS BEHIND GROWTH OF CONSERVATIVE PARTY EXAMINED

Stockholm 7 DAGAR in Swedish 6 Mar 83 pp 14-15

[Article by Mats Gezelius: "Is Deceit or Consistency Behind Conservative Successes?"]

[Text] "Well, now let us begin. We have asked you to come here to..." Ulf Adelsohn, relaxed, statesmanlike in a pinstriped suit, introduced with authority the nonsocialist opposition's press conference in the small Riksdag party room following the submarine report.

On his left side he had Thorbjorn Falldin, on his right he had Ola Ullsten. Ulf Adelsohn answered most of the questions, distributed the statements, rounded off the meeting and thanked for the interest shown...

It was their first press conference together. That was the first time that a Conservative led a joint nonsocialist press conference.

The Sunday before, IMU [The Institute for Market Research] presented its opinion figures. After a debate about what support the Conservatives really have in public opinion--25 or 30 percent--the IMU placed itself in the middle with 28 percent. The SIFO [The Swedish Institute of Public Opinion Research] poll which will be presented shortly is not expected to show any Conservative backslide.

The Conservatives' success in the most recent election has continued since the election. Success nourishes success, is a close explanation. But it does not explain what has happened since the beginning of the 70's, when the Conservatives were a little "fringe party," mangled by inner conflicts and a decade of election defeats.

This is partly explained by traditional swings within the nonsocialist bloc.

"The average nonsocialist voter votes for the party which he sees as being the most effective," said Professor Gunnar Sjoblom at Copenhagen and Lunds University. "It has been like that during all the postwar years. First it

was the Liberal Party which was the big nonsocialist party. At the end of the 50's and into the 60's it was the Right Party which dominated. That was replaced by the Center Party, which in turn was replaced by the Conservative Party under Gosta Bohman."

"It is another climate now," said Lars-Erik Holmqvist, who worked on the postelection analysis at the Social Democratic headquarters. "At the end of the 60's the debate dealt with workers' participation in management and the working environment. Since then much has happened. MBL [The Codetermination Act] for example, which was a means for creating worker participation in management within industry, was first applied in the public sector. The law became a means to bureaucratize the bureaucracy. Also the public sector as such has begun to be called into question in a way that was impossible at the beginning of the 70's. That was of course all politics. Therefore there were political solutions to everything."

The party which succeeded in capturing the greatest gains in this development was obviously the Conservative Party.

Why?

After a catastrophic election in 1970 the wind changed for the Conservatives, but yet until the election of 1976 the Center Party was the leading nonsocialist party. Even in the election of 1979 Thorbjorn Falldin was the leading personality on the nonsocialist side.

Six years of nonsocialist government left deep marks on the middle parties' opinion figures. Meanwhile the Conservatives, who during a large part of this period had the responsibility for the nation's economy, were continuously increasing their share of the voters.

The Conservatives and the middle parties have different explanations for this phenomenon. If one looks closely at the different explanations one finds, however, that they are two sides of the same thing.

The Conservatives will explain their success by saying that the party has been consistent all the time. That it did not wobble about. That it either entirely avoided compromises, or when it did compromise it could show that the alternative, meaning the Social Democrats' proposal, was worse.

Olof Johansson (Center Party) said the same thing in a debate article in DAGENS NYHETER after the last election, except from another perspective.

"The Conservatives obviously made their choice long ago...As long as the party was below the 15 percent level, it was most important to be recognized as a cooperative partner. When the goal was reached, the Conservatives began to talk about cooperation, but to exploit every possibility at the same time to conduct profile politics."

When Gosta Bohman took over the tiller of the Conservative ship, he was not alone. The generation to which Ulf Adelsohn belongs, the student and youth politicians of the late 60's and early 70's, quickly came to play a leading role. Young politicians who are going to be in their forties by the end of the decade with long political careers ahead of them.

It was in many respects just that group, with people such as Carl Bildt, Per Unckel, George Danell and Olof Ehrenkrona, who together with a sharp party chairman worked up the party's long term political strategy. To help him they had voter polls which showed that a very large share of the non-socialist voters did not consider themselves to be Center Party, Liberal Party or Conservative Party, but just ordinary nonsocialists.

These voters could be brought home to the Conservative Party if it stood as an accepted cooperative partner for the two other nonsocialist parties.

Another condition was that the party was politically consistent. A party must emphasize certain questions which are important to the voters and on these questions the party must not compromise.

The questions which the party chose to emphasize were partly in line with the party's traditional policy: lower taxes, social economic balance, protect the family, order and discipline in the schools... They were partly in line with the way the political wind was blowing, which the party could already sense at the beginning of the 70's: increased dissatisfaction with the public sector and the growing power and bureaucracy of the large organizations.

The Conservatives adopted these questions and created for themselves the latest debating "in" expression, a "problem formulating monopoly." The clearest expression of that is found in the economic area.

By placing itself beside the balanced Riksdag's Haga agreement and consistently warning against the danger of increased taxes on industry, large pay increases and increased regulation, Gosta Bohman was criticized for "painting the Swedish economy black."

At the same time, however, he laid the foundation for confidence in the Conservative Party as the "crisis conscious" party, when it showed a little later that his prophesies of economic crisis proved to be correct. A confidence which Ulf Adelsohn could successfully exploit in the latest election campaign. Although Gosta Bohman was responsible for the economic ministry under four of the six government years, years filled with growing deficit, higher taxes and continuous crises in business.

In the same way the Conservatives have, in area after area, rightly or wrongly succeeded in shifting the responsibility for nonsocialist failures onto

the Center and Liberal Parties at the same time that the party succeeds in praising itself for the positive things which have happened during the nonsocialist government years.

This has also had results. Whether the Conservatives' successes are the result of the party being consistent, which the Conservatives themselves claim, or because they are deceitful as their brothers in government claim, or because a policy of dissatisfaction is being followed, which is the Social Democrats' explanation, can remain unsaid.

In any case, something has happened in Swedish politics.

9287

CSO: 3650/184

## CONSERVATIVE PARTY GROWTH TRACED TO REFUSAL TO COMPROMISE

Stockholm DAGENS NYHETER in Swedish 11 May 83 p 2

[Editorial by Svante Nucander: "A Party With a Fair Wind"]

[Text] Things are going better for the Conservative Party. It has its clear mission as an unhesitant opposition party, while the Center and Liberal Parties search in vain for a foothold for a mediatory and equalizing input. The government's policies play into the hands of the Conservative Party in an incredible way.

The handling of the employer fee is an example. In every political agreement which deals with taxes, beginning at the Haga time, the Social Democratic Party has placed an unconditional demand for increased employer fees. The Center and Liberal Parties have accepted that as a link in the compromise. They have been forced to defend the fees before the voters as the only possible way to finance a tax reform. The Social Democrats have consistently maintained that increased employer fees are included in the wage negotiations and do not influence the cost position. Now they state that the fees can not be increased as planned in 1984, since that would drive up the cost position and damage employment. Why was it then necessary to press the Center and Liberal Parties to go along with such increases?

The Conservative Party triumphs. "We warned from the beginning!"

The government's gamble with the nation's economy makes it easy for the Conservative Party. The longer the truth about national finances is shoved into the future, the more inescapable becomes interference with welfare expenses.

The Conservative Party motion on the economic policy contains much which is to the point and well-founded in the critical sections. Their own alternative omits complications and contradictions, but the risk that it will be realized is not really imminent. In one place they claim that "a Conservative-led nonsocialist government would have been able to hold

the deficit under 80 billion kronor." They know exactly what Falldin and Ullsten would agree to under Adelson's leadership.

On some questions there is no risk in expressing oneself positively.

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## FOREIGN MINISTRY REFORMS ORGANIZATION, CHANGES PERSONNEL

Stockholm DAGENS NYHETER in Swedish 8 May 83 p 37

[Article by Birgitta Edlund: "Mix a National Department and the Vatican-- and You Have the Swedish Foreign Ministry"]

[Text] The Foreign Ministry [UD] is a mixture of a national department and the Vatican. Daily problems are mixed with subtle hairsplitting, which in the perspective of history is perhaps not so secret.

Because it is secret. Secret negotiations, treaties, reports. Secret codes, couriers and archives. The finest talent is still to write secret political reports. It is less glamorous to help look for runaway fathers and seek out relatives for American inheritances.

The Czar's courier no longer comes riding in on his foaming steed bringing secret despatches. His recent successors in the kingdom fly on jet aircraft and use computers. But there still are at least two schools on every point in the UD. There is always at least "on the one hand" and "on the other hand."

There are two eternal discussions going on in the UD. One is whether it is good or bad that politicians are appointed to posts which are traditionally occupied by civil servants.

"High positions should not be turned into dumping grounds for retired politicians," said a UD civil servant.

Advocates say that it is well established that there should be politicians in important posts. They see with the particular eyes of the one who rules, and can especially represent and carry out his political intentions.

The other debate is whether the UD is best served by specialists or by generalists, people who can do a little of everything.

"In other foreign ministries it is desirable to devote decades of one's life to the study of, for example, Japan," said a civil servant. "At the UD one sometimes wonders if it is even desirable to become interested in foreign policy."

Personnel policies of the UD are stamped by sluggish bureaucracy and misdirected equality, said another.

"We should not have an A-team and a B-team setup in the UD," said office chief Bo Kjellen, who is responsible for personnel questions in the department. "Those who have worked in the large embassies in West Europe and North America should also go out in the underdeveloped countries. Not only for reasons of fairness, but also because a UD official should have direct experience in underdeveloped countries."

It is not as though a UD career is staked out as straight as an arrow, that one who has come through the eye of the needle can expect to be an ambassador or chief of a unit in Stockholm.

Herbert Tingsten once wrote that UD is the safest of all careers, the only one where all the lieutenants could count on becoming generals. That is no longer the case. The number of embassies is shrinking, as is the number of consulates general. The administration in Stockholm is declining at the same rate. Last year the UD devoted itself only to recruiting from within. Secretaries with solid experience were accepted into a diplomatic career. Between these there has previously been a watertight bulkhead.

#### Write and Console

An ideal UD civil servant is one who can both write the deep-sounding, naturally secret political reports, write out passports and give consolation when wallets are stolen from Swedes on vacation. The combination exists.

The diplomats are the workmen for the foreign policy politicians. They lay the foundation, do the plastering and wallpapering, and then the politicians move in.

Swedish foreign policy is established by the government and the Riksdag. There is very small difference of opinion between the Swedish political parties about the final objective of foreign policy: freedom from alliances in peace, neutrality in war.

There is an eternal difference between politicians and civil servants. It can be said, a little oversimply, that civil servants consider that politicians make statements entirely too easily without thinking through the many consequences they can have. Politicians claim that civil servants are hopelessly petty and never dispose of issues.

The heavy competence which UD civil servants represent is both a help and a hindrance to the foreign minister, who is chief of the entire department. It is a rich sounding organ for those who can play it. It is a sluggish, leaking bellows for those who can not handle it.

The foreign minister plays a greater or lesser roll in the formation of Swedish foreign policy. A government led by Olof Palme, a widely known international politician with definite opinions of what is most urgent, must have a strong foreign minister to maintain his viewpoints on issues.

As in many other institutions with long, sometimes crippling traditions, many people say that it was better before.

The biggest foreign minister for many is still Sven Andersson. Then, says a civil servant, there was order and discipline. He knew how to handle politics as politics, and the department as a department.

"There was no room for little popes or sneaking Richelieus in the corners. There was never any confusion in the command channels or the lines of decision," said a civil servant.

The highest civil servant in the UD is the cabinet secretary. Traditionally the cabinet secretary was a mixture of managing director and political coordinator. The managing director part has declined during recent years.

With the appointment of Pierre Schori as cabinet secretary, many feel that it has entirely disappeared. The appointment of Schori has definitely changed the office to a customary post similar to permanent secretary. "That should mean that the cabinet secretary, like all the other permanent secretaries, departs when there is a change in government," said a civil servant.

There may be a stormy marriage between politicians and civil servants, but in any case it is not uninteresting. As in all marriages the quarrelsome loyalty is tested. As in all well brought up families it is not suitable to disclose the quarrel in public.

As in the Sicilian mafia and the councils of the Vatican there is a law of silence in the UD. Woe to him who breaks it.

#### Faithful Corps of Civil Servants

Amazement and discord are dominant in Arvfurstens Palace, home of the UD and in all the annexes over the so-called Bahr affair's internal sequels. Many civil servants feel their loyalty toward the department and their professional competence was put in question by the leadership.

"It works despite everything because of an overwhelmingly faithful corps of civil servants, who really adhere to the ancient Swedish ideal of an office

holder. Impartialty, loyalty, usefulness to the state first, despite the highest political opinions," said a civil servant.

But in the UD as in the Vatican, intrigues are woven and plots are spun. There is also hard and intensive work in the UD, with few personnel.

The UD, including the new department of foreign trade, has 2,100 employees. That includes cooks, chauffeurs and ambassadors. Of those, about two-thirds work abroad. This year 700 people applied to the UD, so the glitter is still there. About 10 were accepted.

Thirty years ago no women were admitted to the UD, and the wives of diplomats kindly accompanied them abroad.

That is no longer the case. Now there are women diplomats as well as men who have their own careers.

So far there are not so many. But there are still more men with wives who have their own employment in Sweden, who leave them or the wives take leave from their jobs to accompany their husbands abroad. The one wage which is lost is not compensated by the UD.

That means that despite the UD civil servant having the duty to move and expecting to spend a large part of his working life in different posts abroad, it is becoming all the more difficult to get them to travel.

Few resign, however. Many take leave, but very few quit entirely. The challenges of a continuously changing career have strong attraction.

The division which is primarily the UD's think tank is the political division. It consists of six sections which divide the world and all its problems among themselves. Its chief is Lennart Eckerberg, who will shortly be replaced by Jan Eliasson.

The legal division at the UD works with, among other things, international law and consular matters. Human rights fall under the legal division. The consular matters are everything which concerns Swedes and their problems abroad, passports, etc.

Foreign trade has become a separate department with Mats Hellstrom as minister. There the UD's old trade division and the former trade ministry's foreign trade division have been joined.

#### Swedish Aid

The aid division is headed by a permanent secretary and is no longer a separate department. The permanent secretary's name is Gosta Edgren. The aid division handles such questions as for example the UN program for development of poor nations and Sweden's relations with the countries which receive Swedish aid.

The press and information unit works with the Swedish press, with foreign journalists visiting and living here, and with giving out information about Swedish politics and culture abroad. Its chief is Magnus Faxen.

Protocol is the section which takes care of relations with all the foreign missions located in Stockholm. Jan av Sillen and his subordinates also take care of state visits. Just now they have a terribly tough job with the queen of England's visit to Sweden at the end of May.

Majbritt Theorin is the chief of the disarmament delegation, which works independently but answers to the foreign minister.

All of these different people are administered by the administrative division. Thereunder also comes communication, radio, codes and couriers, who are sent here and there around the world. They also have the secret archives, with hundreds of thousands of files which lie there and ripen for 40 years when they cease to be secret and are sent to the national archives.

Even the UD must cut back. Six or seven ambassador posts will disappear.

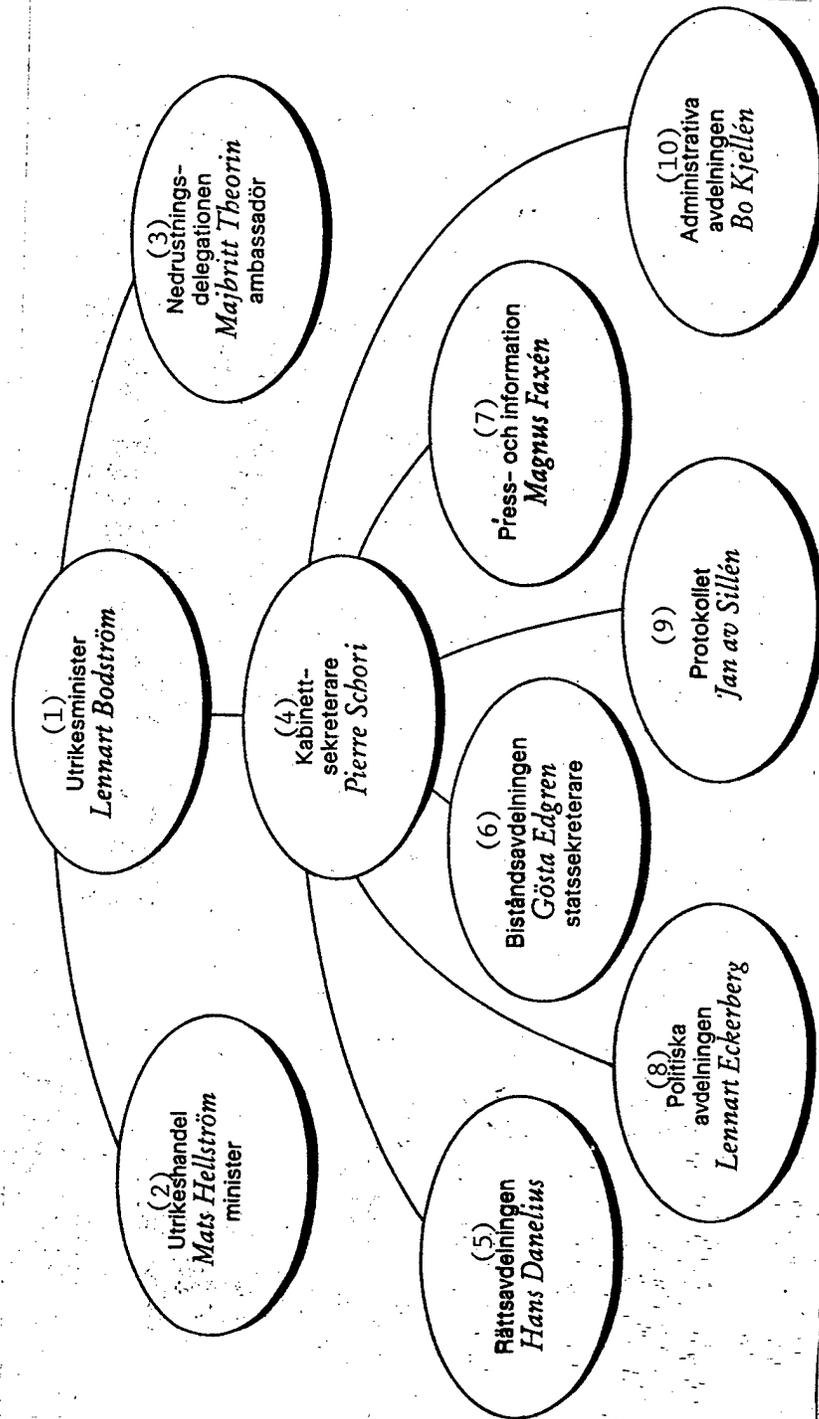
New Kind of UD Man

Four ambassadors are now stationed in Stockholm. They are often accredited to many countries at the same time. It was decided that for economic and practical reasons they are more useful working from Stockholm than sitting in their different countries.

Now all foreign service officers are not convinced of the beneficial effects of having ambassadors sitting in secure Stockholm far from the countries they should be representing Sweden in and reporting to Sweden about.

Many believe they see a new kind of UD man growing, a spool-shaped, quick, clever, productive type, without solid knowledge and with a scrutinizing critical character.

State coaches, long shiny cars and the many dinners are also diplomacy in its impossible sense. But mostly it is still anthill work which in the best case shortens the distances from country to country, and from people to people. That is finally what foreign policy is all about--people and their conditions.



Caption: At the top of the UD sits Foreign Minister Lennart Bodstrom, and under him are the various divisions of the ministry. (Key on next page)

- Key:
1. Foreign Minister Lennart Bodstrom
  2. Foreign Trade, Mats Hellstrom, minister
  3. Disarmament delegation, Majbritt Theorin, ambassador
  4. Cabinet Secretary, Pierre Schori
  5. Legal Division, Hans Danelius
  6. Aid Division, Gosta Edgren, permanent secretary
  7. Press and Information, Magnus Faxen
  8. Political Division, Lennart Eckerberg
  9. Protocol, Jan av Sillen
  10. Administrative Division, Bo Kjellen

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## BRIEFS

PALME DEFENDS ARAFAT VISIT--"Arafat is the most representative spokesman for the PLO and the Palestinian people. That is why we invited him here. We must keep dialogue open. There will never be peace in the Middle East if the Palestinians do not get a homeland of their own." So said Prime Minister Olof Palme as he spoke on peace topics to students at the upper secondary school in Nynashamn on Thursday. Palme said: "Those who oppose Arafat's coming here point to the acts of violence committed by the PLO. And I am not defending the mistakes that organization has been guilty of. But the Palestinians have a right to live like everybody else, and we must listen to what they have to say." [Text] [Stockholm DAGENS NYHETER in Swedish 25 Mar 83 p 6] 11798

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## SHAKE UP REPORTED IN TCP LEADERSHIP

Istanbul TERCUMAN in Turkish 28 Apr 83 pp 1,14

[Article by Tokay Gozutok]

[Text] The central committee secretary general of the Turkish Communist Party, headquartered in East Berlin, has been changed. At a 2 April 1983 plenary session of the party's central committee, Ismail Bilen (Laz Ismail) who had been the TCP central committee secretary general for 10 years, was removed from his post and replaced by politburo member Yasar Nabi Yagci, from the central committee's Turkey General Affairs Section. At the meeting furthermore, with the changes made in the central committee membership, the leadership of the Turkish Communist Party passed into the hands of the Turkish Workers Party which was established in 1961 but later banned by the Constitutional Court.

According to information from Turkish intelligence organizations, Nabi Yagci, who was installed as provisional secretary general and who goes by the party name Haydar Kutlu, is in continuous contact with Behice Boran who went abroad after the 12 September events and who prefers to remain in obscurity. (He was the head of the Turkish Workers Party which had been banned by the Constitutional Court) Nabi Yagci currently is responsible for Turkey general affairs. Joining him in the new central committee are Turkish Workers Party former secretary general, Nihat Sargin and trade unionists Mehmet Karaca, Kemal Daysal, Fevzi Solt, Veysi Sarisozen and Alp Otman.

## First Statement To A Greek Newspaper

It has been asserted that Nabi Yagci's installation in the TCP secretary general post, at first on a provisional basis, resulted from changes sparked by the Andropov-Cernenko struggle in the Soviet leadership. Yagci, who will take over full duties soon, gave his first statement to RIZOSPASTIS, the newspaper of the European Greek Communist Party (KKE).

Nabi Yagci who met with the newspaper's correspondent on 15 April 1983 at the "Karl Marx and Our Day -- The Struggle for Peace and Social Development Conference," said that after assuming his new position, he sent a message to all TCP factions and European communist organizations asking that they unite on their common ground and launch a struggle against the Turkish government. During the interview with the Greek newsman, Nabi Yagci was accompanied by

TCP central committee secretary and politburo member Veysi Sarisozen (party name Neval Zaro) and Alp Otman (party name Oktay Kaya). In his statement, Yagci said that the Turkish Communist Party would continue to fight as it had in the past until the establishment of a Marxist-Leninist regime and he asserted that the US wanted to use Turkey as a base for aggression.

Who Is Nabi Yagci?

Nabi Yagci who replaced 81-year-old Ismail Bilen is 39 years old. Yagci who became involved in communist movements after 1960 and especially while he was a student at the Istanbul College of Law began his completely illegal activities after the 12 March ultimatum. Nabi Yagci, who managed several student movements organized by the TCP, was named a member of the Turkish Communist Party Central Committee and the Istanbul City Committee Secretariat in 1974. In 1978 he was named to the Politburo and in 1981 he became deputy secretary general.

Who Is Ismail Bilen?

Ismail Bilen, born in 1902 and in the party known as "R. Davis-Ismail Mara and Laz Ismail," participated in various activities of the communist party both in Turkey until outlawed in 1952 and abroad. Ismail Bilen held various positions in the TCP after it was set up in East Berlin and on 24 May, 1973 he became the secretary general of the Turkish Communist Party's central committee. Bilen who initiated various changes in the party after taking over its leadership, was the theoretician of the "Advanced Democratic Thesis" which the communists wanted applied in Turkey.

Ozguden Mediation

According to information held by Turkish intelligence organs, Dogan Ozguden is acting as the mediator for Nabi Yagci's call, "Let us come together on that which is common to us" which is intended to reunite the various factions in the Turkish Communist Party structure. It has been learned that Dogan Ozguden, an active communist since 1960, has been shuttling through Europe for this goal and that he has met with or tried to meet with all Marxist organizations and personalities except for Dogu Perincek and the Turkish Revolutionary Communist Party.

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## SURVEY OF POLITICAL PERSPECTIVES ON PROVINCIAL LEVEL

## Adana Political Atmosphere

Istanbul CUMHURİYET in Turkish 28 Apr 83 pp 1,7,11

[Article by Mehmet Mercan]

[Text] Adana: The Political Atmosphere Warms Suddenly

The political parties law which has gone into effect suddenly warmed the political atmosphere in Adana, whose renown heat had not yet started. In Adana there has still been no definite grouping among those of the democratic left. The policy lobbying has not gone beyond disorganized personal examinations and it is expected that these will coalesce around former city officials Selahattin Colak and Fevzi Ciritci. In this regard, former Cukobirlik general director Abdullah Kutlut and Colonel Nuri Korkmaz, who served as Adana mayor after 12 September and shortly before that had retired from the Aegean Army Command Operations Directorate, are seen as the major figures in the democratic left movement. Former JP [Justice Party] provincial chief, lawyer Metin Tolay and engineer Mustafa Bozer who formed a group of "innovators" years ago among the old guard have drawn considerable attention.

Despite former JP Ali Sepici's remark that he will not become involved in politics again, former JP representative Hasan Gursoy told our Ceyhan reporter Ilhan Bulut the following: "According to the law I have no right to found a party for 5 years. However, I think that if a party is organized that corresponds with my views, I would run for office."

It is being said in Adana that Hasan Gursoy and the Akcali family will predominate in a right wing party that will be formed. In addition to these individuals, businessman Mustafa Gocer, engineer Turgut Tekin and Osmaniye's former JP regional chairman, Horahim Karayigit are leading names.

Some of the former JP politicians with whom we spoke had not yet expressed their preference for a leader. However, according to their preliminary evaluations, they indicated that Ali Fethi Esener and Turgut Sunalp from military backgrounds and civilians Husamettin Cindoruk, Mehmet Golhan, Ali Dogan Unlu and Necdet Seckinoz are viewed favorably.

## Ankara Political Development

Istanbul CUMHURİYET in Turkish 28 Apr 83 pp 1,7,11

[Article by Baris Kudar]

[Text] Canakkale: Ankara Political Developments Being Watched

With permission having been given for political party organizational work, Canakkale political circles have begun a "wait-and-see" policy. Anticipating a center party uniting right wing elements, the social democrats announced they will act in accordance with the leadership cadre of the party that will be formed. The candidacies of retired major generals Ragip Cengizoglu, Kenan Kortan and Kemal Yilmal, who are being touted as able to unite the right wing voters in a center party, are among the chief topics of conversation. Former RPP [Republican Peoples Party] member of parliament Altan Tuna is among those reentering politics. Orhan Caneri is working too, but there has been no definite announcement. RPP central executive committee member Imadettin Elmas is registered as being unable to participate in politics. The views of the former provincial leaders of the banned parties are like the following: Ibrahim Engin (former JP provincial leader): "I don't think about politics. However, we can support a party that will unite rightist voters. Canakkale will turn to a rightist party that will reflect its views. We do not want there to be divisions. We will wait and see."

Necati Oguz (RPP former provincial chief): "Whichever party adopts Ataturk's principles, that is the one we will work for. I think I will be in politics for a while. I will retire after the first general assembly. I will work for an Ataturk party."

Ordu: Waiting For The Parties Programs And Principles

Ordu, too, is following a "wait-and-see" policy concerning political activities. Work is continuing with backstage maneuvering at present. Former Ordu mayor Kazim Turkmen, responding to CUMHURİYET correspondent's questions, said the following: "In Ankara, everyone is working to organize parties. We are closely following the party work of those who are not pursuing status in the to-be-organized parties, but who are working for the true goals of the country. The names are not at all important; the principles are very important. We will try to cooperate with our friends whom we believe can very well establish principles and, while establishing these principles are conciliatory, unifying and, especially, can carry on a grass-roots dialog. Most significant is that no party programs and principles have been issued. I believe that the people, studying the programs and principles, will pay more attention to those who show how they are going to work rather than to those who say what they are going to do. In light of these principles, the common goal of all of our friends should be to become unifiers."

The following are individuals who can now hold positions in a social democrat party in Ordu or who could run as candidates for the parties: Kazim Turkmen, Orhan Umit Felek, Dr. Osman Memecan, lawyer Ahmet Goncu, lawyer Adem Topaoglu, lawyer Kenan Cebi, lawyer Dursun Ali Akyurd, Yalcin Celebi, Dr. Fahrettin Onsen, lawyer Onen Kandemir, lawyer Aydin Kurlacoglu, pharmacist Huseyin Furtun, Cavit Dogan, Dr. Sami Tandogdu, ret. col. Ibrahim Kayali, pharmacist Sansel Eren,

Fahri Celebi, Ahmet Kirca, Enver Kirca, Canturk Egemen, Murat Cebi, lawyer Rustem Celebi, lawyer Rahmi Guner and Kemal Basbug, Huseyin Furtum and Sebahattin Koksak.

Names mentioned for the rightist party include: Lawyer Guner Sagra, Sebahattin Alpat, Mazhar Haznedar, (newspaperman) Husamettin Celebi, lawyer Orhan Eroglu, lawyer Alptekin Elibol, lawyer Nevzat Celik, Sadi Pehlivanoglu, Aydin Dundar, Serafettin Turan, Dr. Ahmet Engor, Hamdi Ozen, Ergin Karlibel and lawyer Cevat Celik.

Usak: Unity Being Discussed On The Right and On The Left

In Usak, both on the right and in the social democrat movement, developments have once again begun to blossom. It has been learned that Ismail Saracoglu, who for years had been the Democratic Party and Justice Party provincial leader, wants to enter politics in the new era, and that Usak's mayor for 18 years, Hakki Yagci, saying that if he were offered a position in a nationalist-conservative party he would accept, has been making efforts toward that end. Also, Yusuf Ziya Karaman, deputy chief of the banned NSP's [National Salvation Party] provincial executive committee is saying that he could serve in a party formed by leaders who support the nation, who are not greedy and corrupt and who do not seek to live off the people. The last provincial head of the banned Justice Party, Zafer Yuruklu is in Ankara to work toward establishing the Center Party. Among the social democrats, former Usak TGNA [Turkish Grand National Assembly] member, Selahattin Yuksel, stating that he believes the nation cannot be run without politics and thus that he cannot stay out of politics, said, "The social democratic movement, to which I believe I belong, has not really split up and if there is a development that can win the votes of the rural sector, I am ready to serve."

Banned RPP Usak provincial chief Emin Sancar said that he is currently evaluating his chances and that a social democrat movement must come together and select its leader and cadre. He stated that should these conditions be met, he could serve in such a movement.

One of those attracting attention in the social democrat movement in Usak, a former central regional leader, Niyazi Yilancioglu, has stated, "A unity should be achieved within the social democratic movement. However many party leader candidates there are, they should announce themselves. Have everyone in the movement make an evaluation, determine this movement's leader and organize the social democrat movement on a unified basis." Yilancioglu is determining the course of his actions.

Suleyman Agaoglu, a former central regional leader of the banned RPP believes that the central selection process in the first elections and the choosing of representatives "will not make for a good contest." He stated that he could become involved in the policies of a unified, undivided social democrat movement.

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## ANALYSIS OF STRASBOURG FOREIGN MINISTERS MEETING

Istanbul MILLIYET in Turkish 28 Apr 83 p 9

[Commentary by M. Ali Birand in the column "Corner": "Why are the Turkish and Greek Foreign Ministers Meeting?"]

[Text] Everywhere you go, some incident aimed at us crops up that smacks of Greek, or, in an incident, invariably a Greek voice is heard. At the very least, Papandreou is carrying on a merciless struggle against Turkey. On every front, on every subject...

After observing the successful efforts of the Greek lobby in Washington, we no sooner go to the Council of Europe meeting in Strasbourg, saying, "let's sniff the air in Europe," then this time we are confronted with an official Greek campaign. It is a campaign whose dimensions were broadened unnoticed and which eliminates the possibility of a Turkish-Greek rapprochement right now, if ever. They are indeed following a line that declares Turkey their most sworn enemy.

Is the American government increasing its aid to Turkey?

Immediately the Greek lobby in Congress goes into action and pumps out propaganda that the 10 to 7 ratio must be abandoned [sic] to be able to defend stability in the region. They are able to successfully conjure up the specter of tiny Greece being snapped up by demon Turkey.

Is there a meeting about human rights in Turkey?

A Greek organizes this meeting in America. And if in Europe, the Greek expert portrays himself as the defender of human rights par excellence and speaks in the most excited, the harshest way. He attacks the Turk savagely, see what barbarism, what cruelty! But he does these things purely and simply because he loves the Turkish people.

Is there a meeting on the Armenian question?

His eyes tear-stained, the Greek is moved more than anyone else because of the cruelty and here he quickly takes the Armenian side. He tries to show that the Armenian genocide was quite natural because the Turk from birth comes into

the world with a murderous nature; he even tries to prove this with scientific jargon. He carries the Armenian flag into battles, he makes pronouncements together with the Armenians,

Is the Council of Europe secretary general to make an official visit to Turkey?

Immediately a Greek parliamentarian brings up the scandal that would be created by the secretary general going to a non-democratic country and he tries to block the visit.

Everywhere it is the same.

There is a campaign that the Greeks have officially joined.

Starting from the support he is giving to the Armenians, Papandreu has expanded this campaign to his speeches and everywhere he goes, he criticizes Turkey. A part of this policy is to punish countries that support Turkey. The latest example of the official Greek policy that has come to the point to punishing the countries that support Turkey was the cancellation of the visit of the U.S. Assistant Secretary of State, Richard Burt, because of his MILLIYET interview and his remarks in Ankara, as well as the cessation of the three way talks.

The official campaign has now been brought to a new phase. The first step in this is the effort by the Greek Cypriots to fill the empty Cyprus seats in the Council of Europe. Cyprus has not made such a demarche since 1964 because the bloc of seats belonging to Cyprus were divided with two given to the Greek Cypriots and one to the Turkish community. The Greek Cypriots, who prevented the Turkish community from participating in the deliberations now demand that only their parliamentarians represent Cyprus.

While these lines are being read, there is a good probability that the Council of Europe's decision will have been released. Normally the Council would have to reject the Greek Cypriot administration's demarche until a political solution in the intercommunal talks had been reached. Otherwise, the Consultative Assembly's disregard of Turkey and its action without taking into consideration past positions would mean that the already critical Turkish-Council of Europe relations would worsen much more.

With the Council of Europe test almost over, the Cyprus question will be debated in May, this time in the United Nations General Assembly. Greece's goal there is to be able to bring about a harsh decision that will fault Turkey.

The goal is to spread the specter of the Turk as much and as widely as possible. And behind that, by profiting from this situation, to obtain political advantage as well.

Papandreu from time to time acts like a clown, yet this is not without some advantage. As the result of the worldwide dread unleashed, the countries who support Turkey think it over a second time... Those who want to assist Turkey on this matter, thinking "Oh Lord, let's not anger Athens," feel the need to adjust their positions.

So, during as unfriendly a period as this, during a campaign such as this, the Turkish and Greek Foreign ministers "start up a dialog."

We are greatly interested and wonder why are the Turkish and Greek foreign ministers meeting and what will they talk about?

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## DILIPAK SEES SERVILE TURKEY AS WESTERN GOAL

Istanbul MILLI GAZETE in Turkish 28 Apr 83 p 3

[Commentary by Abdurrahman Dilipak in the column "Foreign Policy": "Mandatory Direction"]

[Text] Now we are heading toward democracy and my, the speculation about Turkey has built up again. Without the parties yet organized, without the elections having been held, it is somewhat difficult to offer a judgment on Turkey's foreign policy directions, economic model and so on. Perhaps when they establish the party programs these matters will be clearly spelled out, yet their application will become clear only later.

However now in the European Economic Community circles there is confusion and alarm. What if Turkey were to apply to the EEC for full membership? As long as Turkey was far from this point there was no worry. But today, if a moderate center-right government comes to power and applies to the EEC for full membership what will the situation become? Our European friends are not worried about our admiration for Europe, about our desire to europeanize. No, they are even pleased. They are seriously concerned about our rapprochement with the Islamic countries, indeed, about our breaking away from the West. It is a fact that the Western nations' economic, social, political and psychological conditions are not conducive to such a union. Such an occurrence might cause new agitations in an alliance that is already undergoing serious shocks. Furthermore, Turkish society's place and position in such an alliance is the cause for debate and concern.

EEC circles are very seriously occupied with not allowing Turkey to enter the door and yet with not keeping it far from the threshold. They are working to provide an interim solution for this problem.

Turkey is in a region that is very important to European countries from a security standpoint. Additionally it is important as a source of cheap labor and raw materials. Even more important, if Turkey turns its back on the West and enters into an alliance with the Islamic world -- a world with which the West is almost everywhere in competition -- by uniting with the potential of the Islamic forces, it would curb vital Western interests and colonialist plans. At the very least, it could accelerate the process.

As much as Turkey is on the EEC agenda, it is also on NATO's agenda and on that of the United States. Turkish society's reaction against and concern about the U.S. is gradually increasing. The White House, like typical West European countries, does not want Turkey to slip from its grasp, does not want to be too much a patron of Turkey and especially, does not want Turkey's regional strength and effectiveness to increase by giving it sufficient economic and political support.

The U.S. has strong worries about Turkey. It wants it to remain a poor, docile and devoted friend; it wants a Turkey without too many requests, that is not self sufficient and that is making no serious development efforts.

Of course, almost no one will identify himself with such a request. The problems with this are of concern in the U.S. as well. The difficulty in establishing a policy to be followed regarding Turkey stems from this fact.

In parallel with the process of democratization of 1983 Turkey, we are facing a timespan that will be the setting for extensive talks on the subject of the U.S. and the West european countries' determination of their attitude toward Turkey. Turkey's national interests can only lean toward the Islamic countries. It is not in the West that our religion, history and culture reside.

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## SOCIALIST LEADERS, PRESS DIFFER ON SUBMARINE INCURSIONS

Bjerregaard on Nordic Generals' Budget Scheme

Copenhagen AKTUELT in Danish 6 May 83 pp 8-9

[Commentary by Ritt Bjerregaard, former cabinet minister and currently a member of Folketing]

[Excerpts] The Soviet activity in Swedish waters is currently being evaluated by the Danish government, as we saw from Defense Minister Hans Engell's article yesterday. Surely these deliberations would never lead to bigger defense appropriations, Ritt Bjerregaard wonders.

What is all this about submarines? The first one we ordinary people heard of was stranded on a rocky isle near a Swedish naval base. It was spotted by a fisherman who was passing by and called up the navy to report it. The navy arrived on the scene immediately. The Swedes pulled the proud warship free, after which it proceeded in an easterly direction.

That submarine really was there. Neither the Soviet nor the Swedish navies could explain it away, no matter how much they may have wanted to. As a civilian, one would think that they would have preferred to, for the presence of the submarine on the ledge must have been equally embarrassing for both sides. For the Russians because they floundered around to the point where they ended up on a rock from which they could not extricate themselves; for the Swedes because they did not discover the "enemy" until some time after he had become helplessly stranded. As a kind of consolation for their bruised honor, the Swedes then found something nuclear near, on or in the Russian vessel before it went back where it came from.

After this maritime event, both fleets--or more accurately, each fleet in our area--retaliated, revealing quite different martial capabilities.

What is it that we now know about the fleets and submarines in our part of the world? We know that the Russians and the Swedes made a mess of things and that the Swedish Navy got a bigger appropriation than would otherwise have been the case. That was well done on the part of the Swedish

Navy. On the face of it, one would think that one responsible naval officer or another would have been promoted into retirement for failing to spot the stranded Russian submarine or at least for the time one, two or six submarines were allowed to escape from the Stockholm archipelago. Instead, they are getting more money.

It is no wonder that other navies have smelled blood. Now it is the Norwegians who thought, believed, were almost certain that there were one, no two, Soviet submarines in Hardanger Fjord. They were given a broadside of missiles and bombs, but strangely enough they were not hit. These Russians are incredibly cunning. What a lot they have learned since they ran aground on the Swedish ledge. It is quite obvious that the Norwegian Navy needs more money. At any rate, they obviously could not get the Russians to come to the surface, so they need more funding. Can 200 million kroner do it? Hardly.

Naturally the Danish defense minister has become quite concerned. It is true that the water level in Danish national waters is too shallow for submarines to be able to hide themselves, but one cannot rule out the possibility that they could move along Langelinie and right into the naval berths on caterpillar treads. What can be done about that? Surely the answer would never be more appropriations, would it?

For a civilian with no understanding of naval warfare, seamen or submarines (with or without caterpillar treads), the whole story is quite thought-provoking. It is worth noting that there are very few facts involved--the stranded Russian craft and the increased defense appropriations. The rest is just talk and more or less loose assumptions and allegations. Will we really be content with that?

#### SDP Defense Committee Member Attacks Bjerregaard

Copenhagen AKTUELT in Danish 7 May 83 p 2

[Text] "There are very few facts involved--the stranded Russian craft and the increased defense appropriations. The rest is just talk and more or less loose assumptions and allegations. Will we really be content with that?" Folketing member Ritt Bjerregaard wrote in AKTUELT yesterday in an article that treated the whole discussion of the submarines that are said to be/have been in Norwegian and Swedish fjords, but which no one has really seen or could hit, with jocular and condescension.

No Doubt

Ritt Bjerregaard's views are not unanimous in the Social Democratic Party.

Folketing member Knud Damgaard, who is a member of the Defense Committee, takes the submarine issue seriously.

"I am familiar with the Swedish report and have no doubt that the Swedish documentation is honest and accurate."

Then there have been Russian submarines in Swedish fjords?

"Yes, there have been Russian submarines in Swedish waters, including midget submarines on caterpillar treads. Technically we are familiar with these treaded subs, for they are used in work associated with drilling platforms, among other things, but it is quite new to see them used to a wider extent in a military context."

Can one make light of these submarine affairs?

"No, that is not justified, since they will affect Danish defense thinking in a vital area. We are forced to take the economy into consideration and now we must seriously involve ourselves in close surveillance of Danish waters. That is what made me reject the construction of submarines. It would be a prestige project. Instead we must develop acoustical, magnetic and other conceivable devices used in surveillance."

Have the submarine incidents led him to revise his opinions?

"No, I have advocated expanding surveillance all along, but the Defense Command is changing its views in the direction of better surveillance."

Does he take the whole issue seriously?

"Well, we are forced to do so, because of our geographic location."

#### Nuclear Arms on Submarines

The Liberal member of the Defense Committee, Peder Sonderby, also commented on Ritt Bjerregaard's article and said that the whole thing became serious with the discovery of nuclear arms on the Russian submarine at Karlskrona.

"It is getting harder and harder to take Ritt Bjerregaard and the rest of the left wing seriously. When defense talks are held against the background of the Norwegian and Swedish experiences, I hope that Social Democrats can present a more sensible view of the Russian military threat to Scandinavia," said Sonderby.

SDP Organ Discusses Views in Party

Copenhagen AKTUELT in Danish 7 May 83 p 2

[Editorial: "Submarines"]

[Text] Folketing member Ritt Bjerregaard has made waves in the Sea of Peace by expressing doubts about Russian submarines in Norwegian and Swedish fjords--with the exception of the Russian submarine that ran aground on a ledge near Karlskrona.

"The rest is just talk and more or less loose assumptions and allegations," Ritt Bjerregaard wrote in an article in AKTUELT.

Ritt Bjerregaard disagrees with several of her party colleagues, among them member of the Folketing Defense Committee Knud Damgaard who on the basis of the Swedish government's report believes in Russian submarines in Swedish fjords. She must also disagree with party chairman Anker Jorgensen, who in his May speech referred to "shocking reports on activities in the Baltic Sea," and finally she must be in deep disagreement with her party leadership which, with direct reference to the submarine events, drastically called off the trip of a party delegation to Moscow to meet Soviet politicians "at a high level."

There can now be a discussion in the Social Democratic Party, which is not unaccustomed to having an internal debate after the public discussion is in full swing.

AKTUELT has warned against overdramatizing the consequences of the submarine uproar and we deeply regret the fact that the Russians, who under any circumstances have managed to sneak one submarine into inner Swedish waters, have provoked all the Nordic countries into seriously considering intensified surveillance.

6578

CSO: 3613/114

## DEFENSE COMMITTEE OF PARLIAMENT STUDYING KRISTENSEN FIRING

Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 83 p 8

[Editorial]

[Text] Soldiers can fall, even in times of peace. It was seen as a casualty when the head of the defense staff, G. K. Kristensen, did not have his contract renewed. It created quite a stir within the army and attracted the attention of Christiansborg, where the defense minister has been called to appear before the defense committee to offer "an explanation." Opposition politicians want to consult with Hans Engell. They want him to explain whether or not there has been political or perhaps even personal persecution of Kristensen, who held the temporary rank of lieutenant general, but now must return to his rank of colonel. There will, however, be no intervention in the matter.

It should be noted that the top defense leadership is appointed for a 3-year period. The officers in question hold a temporary position and receive the corresponding rank for the period during which they hold that position. Parliament decided on this arrangement because it believed the defense minister should be permitted to evaluate the situation frequently and determine whether or not the defense leadership was in the best possible hands. In addition, it must be considered favorable for the defense to have a flexible leadership that can adjust to existing circumstances. For this reason, the government has this right. Social Democratic member of parliament Knud Damgaard explained in parliament that he in no way questioned the government's right to make this change in the defense command.

The only cause for concern is due to the more or less strong tension that naturally arises from time to time among the three branches of the service. If the head of the defense staff comes from the army, there will be people in the other branches who become concerned. This time a naval officer will lead the defense staff. Will this result in preferential treatment of the navy when it comes time to distribute the dwindling defense funds? This fear seems to be unreasonable and there hardly are any grounds for it in past experience. Defense Minister Engell has stated in parliament that the choice of the top military leadership should be based on professional qualifications, spirit of cooperation, and support for all branches of the service.

There is no reason to believe that the government has failed to act according to

this principle. If some people believe otherwise, it may be because the appointment of G. K. Kristensen 6 years ago was a rare promotion over the heads of others, justified by the Social Democratic defense minister at that time by both personal and political considerations. The general's work while he held this post does not deserve to be brought into question by the present debate.

Shifts in the defense leadership are prescribed by law and they should be viewed neither as a personal nor a political drama.

9336  
CSO: 3613/91

## INTERIOR MINISTER DISCUSSES CIVIL DEFENSE POLICIES

Copenhagen BERLINGSKE TIDENDE in Danish 13 May 83 p 9

[Article by Britta Schall Holberg, Danish Minister of the Interior: "Debate on Survival"]

[Text] The Minister of the Interior examines the civil defense development plan which has just been presented by the Civil Defense Administration for the period 1984-1988.

The debate on civil defense always takes place so quietly in this country. The thought of a new war naturally awakens fear in all of us.

Also because we know that a new war would mean a frightful amount of destruction.

We can not really refrain from thinking about it. Now and then we push the thought aside, acting as though it could not be a reality.

But it could all too easily, that we well know inwardly.

And so we worriedly ask: If war should now still come, have we done enough to protect the civilian population? Have we done enough to build up our civil defense?

But it is so, as we begin to study the issue again, that we see that we would rather avoid facing the danger and busying ourselves with something "which probably will never take place."

We find it difficult to grasp reality.

But there are certainly also other explanations why the need for civil defense is not often thoroughly discussed.

One explanation is a general inclination to have an optimistic picture of the consequences of war: to minimize the destruction in civilian society, to

shut out the most unpleasant things and cling to the hope that everything will be cleared up at the last moment. Optimism has for many years been supported by the thought that in spite of everything there is no reason to believe that a war is immediately imminent.

Another reason for not wanting to be concerned with the civil defense issue is a pessimistic representation of the people's possibilities of surviving: War is described so that the worst imaginable atomic weapon will at once destroy the population and make any further assistance meaningless. The impossible does not require anyone, and lack of requirement is a good reason to remain passive. Today's tendency to wallow in death and destruction has acquired a new dimension.

I believe that the debate on civil defense is fundamentally important.

It is necessary that we create understanding of civil defense. This understanding must naturally capture the individual person's desire to recognize that we can not just lean back and wait, expecting that other help and the military will take over.

Civil defense ideas must stimulate interest and understanding also in people who are not otherwise interested in or concerned about national defense initiatives. Civil defense ideas have something very near to ordinary humanity about them: the obligation to protect or help people in a catastrophe.

It is necessary that there be willingness in the Folketing to give civil defense the priority it deserves, and to quietly prepare the framework to make a reasonably good preparedness available.

Thereafter the local authorities must take charge of filling out the framework.

Now let us see what we can do:

Instead of clinging to the optimistic simplification or losing ourselves in pessimistic hopelessness, it is natural to recognize that after a major attack on Denmark there will be a very large number of survivors. But the precondition for as many as possible to survive is that we have a sufficiently large number of shelter rooms, possibilities for warning and a civil defense which can bring emergency help. It is meaningless that some will die. But the meaninglessness is doubled many times if many people are lost even though they could have been saved if we had a reasonably good civil defense.

The difficult political question is this: How many will we sacrifice with "a reasonably good civil defense"? In my opinion parts of the civil defense function well. It is often seen here in peacetime with fires and natural disasters. But a couple of years ago the civil defense authorities pointed

out that in other areas there are a number of serious shortages. If the civilian population desires to pay more billions of kroner for better protection, it is certain that many shortages can be corrected. But the political-economic conditions are such that we are required to get along with the means we have used in past years, and try to cover the worst shortages with revised priorities. In any case, even modest appropriations will require increased understanding of this problem in large sections of the population.

Therefore it is desirable that we have a broad debate about the protection of the civilian population.

The Civil Defense Administration has itself begun this by sending out "CD Report 82--A Memorandum of Civil Defense Development 1984-1988." The Civil Defense Administration has studied in which areas an expansion of the protection of the civilian population will be the most effective within the limited economic framework. After reading through the report it is my first impression that it is important to, among other things, start on the following tasks:

The individual citizen should, as said above, take a greater amount of responsibility for his own and his family's protection. That assumes, among other things, that the community provides information about how the chances for survival can be improved. The prime minister's article "If War Comes" is now 20 years old. The Civil Defense Administration will, during the summer, publish a new and more timely article, which can be used in training and will be available in all libraries. A general knowledge in the population of simple precautions for disasters is of priceless value also in peacetime. It includes knowledge of siren signals, first aid, fire-fighting and how to call for help.

We must consider how we can encourage people to participate in civil defense voluntarily. Civil defense has many volunteers already today, but there is a shortage of people for different jobs. It is important to get as many as possible to participate in the local volunteer work, because volunteers have a special basis for giving other sections of the population a better knowledge and understanding of the tasks. And it is local, where we live, that the readiness will be and will create the feeling of security.

The possibility for citizens to seek and find cover is improved if a more timely warning system is established. The current plan for this is not finished. Even if a better nationwide warning system is expensive, it also serves a purpose in peacetime, for example in case of natural disasters.

Many have wanted, including municipalities and industrial activities, to go slowly on the requirement for shelter rooms, yes, in certain cases they have desired not to provide them.

"They are too expensive to make," they say, and "Why should we have them if it never becomes necessary to use them, and if used, will they work"?

We are forced to say that in densely populated areas, at a number of activities/institutions, where many people are assembled, this protection must be available.

We can not save all the people by this method, that is unrealistic to believe, but we can try to protect them where there is a special problem.

Expansion of structures for shelters should be considered, and we should especially reduce the time it takes to make the shelters ready for use.

Furthermore it must be considered how the resources in the communities will best be used for the protection of the citizens. A new civil defense law emphasizes the responsibility of the municipal officials for civil defense in the municipalities, especially with reference to planning for the readiness of the municipality.

Finally The Civil Defense Administration has stated that along with establishing a higher degree of readiness in the total civil defense, consideration should be given to protection against chemical warfare substances.

In Denmark we are used to designing insurance against a number of occurrences which can strike us. No insurance can prevent damage and accidents, but it can limit the loss. In the same way civil defense can not prevent every loss of human life, but to a large extent it can limit the number of losses. We need a discussion of how much and how we will invest in this insurance.

9287

CSO: 3613/115

## CONFLICTING INTERESTS IN AIRCRAFT 'PURCHASE OF THE CENTURY'

Athens I VRADYNI in Greek 3 May 83 p 5

/Text/ Decided by ND /the purchase/ is being implemented by PASOK for the renovation, modernization and strengthening of our air force.

This evening a decision will be reached to strengthen the Greek military machine with 100 to 120 modern aircraft which will undertake the defense of the Greek skies above our land, islands and Aegean Sea. In reality the decision to strengthen the Greek Air Force with modern aircraft was made by the previous government of the New Democracy with the objective of replacing the older type aircraft E/TF104G and F5/13 fighter bombers which have completed 20 years of flying.

The PASOK government now has the responsibility of choosing the type of planes and the number of planes to buy estimated at 100 or 120. These decisions will be reached today by the Government Council for National Defense /KYSEA/.

This is the "purchase of the century" as it has been called. In reality this is the largest purchase of military materiel in the history of the Greek state on which, fortunately, both parties agree since it was decided by ND and is being implemented now by PASOK. The total cost is estimated at 300 billion drachmas /approximately 4 billion dollars/. Nevertheless behind this purchase major political and economic interests are hidden. The first set of interests is related only to Greece while the second to both Greece and the countries where the airplanes are produced.

The economic interests are simply centered on the objective of five countries to sell to the Greek government their own aircraft and have thus an economic gain, and on Greece's objective to buy under the possible terms.

The political interests on the other hand center on Greece's political benefit from buying the new military aircraft in one or another country. Above the Greek political interest, however, is the national interest which is determined by three criteria: the economic (the economic terms of the purchase); the political (realizing political gains); and the military (purchase of aircraft which will make our air force stronger and more effective).

## Types of Aircraft

The government pondered extensively over the purchase of one of the following types:

- the American F-18
- the American F-16
- the French Mirage-2000 and
- the German-Anglo-Italian "Tornado"

According to expert reports (see periodical PTISI (Flight) of March-April 1982) the F-18AL is superior to F-16. Recent reports, however, claim that the F-18 has already been ruled out by the Greek government. There are three likely reasons: It is more expensive than the F-16 (the F-18 is estimated at 17 million dollars while the F-16 at around 12 million dollars. But this difference in price should not be a reason for ruling out a better airplane); second, the F-18 may be more suitable for the American than the European conditions; third, because the Americans themselves may want to push the F-16 in Europe instead of the F-18 in order to keep NATO European side with the uniformity of F-16 and the American with that of F-18.

## Balance in the Air

If this view, which has already appeared in the special air magazines is correct, then one may ask what will happen if the Americans provide the Turks with the same airplane. This is very likely since, as mentioned above, the intention of the United States is to "supply" the European side of NATO--to which Turkey belongs--with F-16s.

Automatically the "air balance" between Greece and Turkey will be found in the hands of the Americans who will be able to influence this balance for the next 15 years, if not longer, since the planes we will purchase will be used until possibly the year 2000. Reports published in a pro-government newspaper on Sunday said that the government has concluded to buy two types: F-16 and Mirage 2000. It is said that the F-16 has been selected because it is part of a Greek-American package deal for the bases--it thus appears that an agreement will be signed--while the Mirage 2000 was selected to safeguard the Greek side from American maneuvers. This means that the government correctly thought to avoid dependence of our air weapon on a single state.

## Dangers of Dependence

If these reports are correct, the Greek government apparently did not avoid a political and military mistake by ruling out the "Tornado." From the point of view of political and military expediency it would be better to buy three types (one from the new generation of American Fs, the French "Mirage" and the German-Anglo-Italian "Tornado." Because the purchase of only two types

does not remove the danger of dependence for spare parts. Only it reduces them. Of course, the "Tornado" is more expensive than the other two. Its price is approximately the same as that of F-18 but its performance is officially better. And it certainly has technical advantages although all aircraft have advantages and disadvantages.

7520

CSO: 3521/307

## INQUIRY VINDICATES LEOPARD II TANKS

The Hague ANP NEWS BULLETIN in English 29 Apr 83 p 1

[Text]

The Hague, April 28 - A Dutch defence ministry working group told the government today Holland's German-built Leopard tanks, including the controversial Leopard II, were functioning properly.

The Dutch government has placed an order worth about two billion guilders for 445 sophisticated Leopard II's of which more than 30 have meanwhile been delivered up.

But the tank was described as unsatisfactory by a spokesman of the association of military technical specialists in March because its electronics were claimed to be unreliable and inaccurate.

In a report published here today the ministerial working group, headed by the ministry's secretary-general, said:

'There are no technical deficiencies but the problems (experiences) with this weapon are mainly of a personal nature.'

Logistic Support

The working group noted that the introduction of new and complex military equipment in recent years had strongly increased the need for technicians and had made it more difficult to entrust work to conscripts.

One of its recommendations to the defence top is not to introduce complex material before obtaining adequate guarantees for sound logistic support and before making sound preparations.

It further recommended that certain jobs be no longer done by conscripts but by longer-term personnel.

CSO: 3600/19

## AIR FORCE AGAIN IN CRISIS; SHORTAGE OF FIGHTER PILOTS THREATENS

Oslo VERDENS GANG in Norwegian 7 May 83 p 7

[Article by Tom Lokken: "Laid Up?"]

[Text] Parts of the air force could be laid up within a short time because of disastrously large departures of pilots. Departures from the air force can lead to two fighter squadrons losing their operational status.

A short time ago the air force leadership received an analysis which shows that there will be a requirement for 30-35 new pilots during 1983.

It is the announcement of new hirings by the aviation companies SAS and Braathen which now threatens to make large inroads among the experienced pilots of the air force.

During recent years it was mostly only the helicopter companies which have hired pilots in this country. During 1983 SAS and Braathen will go out with offers of jobs.

During the next few months 30-35 air force pilots will have completed their obligated service. In the Supreme Command Headquarters it was confirmed that the situation is alarming.

Serious

A new giant raid among the air force's experienced pilots could mean that both F-16 squadrons at Bodo will lose their operational status and no longer be able to fulfill their mission on NATO's northern flank.

The air force will now have to earmark its most experienced pilots for training and transfer them to the 336 and 332 squadrons at Rygge. The Supreme Command Headquarters regards the departure of the pilots as very serious and emphasized to VERDENS GANG that since the early 70's the air force has warned about this development.

9287

CSO: 3639/116

## NAVY FINDING IT HARD TO KEEP OFFICERS IN SERVICE

Oslo VERDENS GANG in Norwegian 7 May 83 p 7

[Article by Morten Aasbo: "Naval Officer Departures"]

[Text] Naval officers are leaving the service as never before. Half of the classes which were trained at the Naval Academy in 1967-1977 have today left the service.

A new investigation by the Naval Academy has disclosed these alarming figures for the navy.

#### Concern

"There is no doubt that this loss of competence has a great effect on readiness in the navy," said Lieutenant Commander and editor Svein Carl Sivertsen.

In the latest number of TIDSSKRIFT FOR SJOVESEN Sivertsen writes in an editorial that this early separation from the navy is now of "special concern."

#### Competition

"It seems there is no desire to adopt a good priority for personnel policies in the navy.

"We are continuously seeing examples of things to which the Defense Department gives a high priority, and takes up with the Finance Department, where they are rejected at the bureau chief level in that department," said Sivertsen.

It is mainly the expanded oil activity in the Bergen area which has coaxed the officers at Haakonsværn to leave the navy.

"While the Directorate of Oil, Statoil and the large companies in the oil sector can tempt them with attractive pay offers, the officers in the navy must be satisfied with some miserable offer from the State Pension Fund. That will hardly keep them inside the garden gate," said Lieutenant Commander Svein C. Sivertsen.

9287

CSO: 3639/116

## FIGHTER PILOT COMMENTS ON PROBLEM OF RETAINING OFFICERS

Oslo AFTENPOSTEN in Norwegian 13 May 83 p 10

[Article by Helge Andreassen of Hohnefoss: "Defense Department Pilot Crisis"]

[Text] When VERDENS GANG on 7 May suggested the possibility that the air force's new F-16 fighter planes may be laid up because of a shortage of pilots, it caused concern among all those who are involved in our defense and its ability to carry out its missions in peacetime as well as in crisis situations.

When one's background is as a fighter pilot in the air force, and he is continuously getting information from the few pilots of the same age who continue to serve, such newspaper headlines come as a confirmation that little has happened concerning the will of the Defense Department to take steps to retain the pilots after completion of their obligated service. The situation appears worse than in a long time.

Why has the air force reached this impasse, now that the need for experienced pilots is greater than ever? It would take lots of column space for me to rattle off all the variations which have been tried involving length of obligated service, amount of pay and recruiting to the Air Force Academy. Let me quickly state that what has affected the number of pilots in the air force has been civilian demand.

How the air force has tried to solve its pilot problems can be illustrated by the following example: Several years ago the Defense Department got the government to propose an increase in the length of obligated service from 6 to 8 years, which the Storting approved. Now the commander of the Air Force Academy is expressing concern that the recruiting of candidates to the academy is declining. This school lasts 3 years. If a cadet begins there, he will in the best case be 32 when he completes his obligated service. We know, for example, that SAS has an upper limit of 30 for new appointments. The cause of declining applications to the Air Force Academy is obvious. Thereby the air force is losing not only pilots with completed obligated service (without military academy education). An effective obstacle has also been placed in the way of training future leaders. Now

there is new movement on just this problem. There will certainly be established an arrangement which is strongly reminiscent of one that existed 10 years ago. But why this completely meaningless dance in circles?

Much is said about money when the pilot problem is to be solved. I agree that the pay is too low, especially for the pilots who do not have permanent appointments, in other words those who are serving their 8 years of obligated service. Better economic conditions can easily be justified based on responsibility, the operational risks and the psychic burden that pilots and their families are often exposed to. Therefore it seems almost unbelievable that from another military quarter dissatisfaction is being expressed that flying personnel should be paid higher because nobody serves longer than anybody else. Nobody is served by such attitudes.

Catchwords like assignments and better loan possibilities for purchasing own homes are also often mentioned. Let me say that these problems are being worked on.

But there is little new in the measures which today are proposed for solving the pilot problems. The same solutions, in slightly different versions, have been tried previously, without any special success. Therefore we need quite a bit of new thought if we are going to improve the future pilot situation. This new thought should come from the Defense Department, but unfortunately it seems that is difficult. Is it because feelings of loyalty and the fear of not being promoted completely kill internal discussion of the pilot problem? We can not quietly accept the fact that the fighter squadrons are barely operational on paper, and that rescue preparedness is at times greatly reduced.

Therefore it is appropriate to ask why the Defense Department apparently sits with folded hands when at times there is a significant surplus of civilian pilots with military backgrounds. In 1980 SAS had a significant surplus of pilots. Why did not the Defense Department try to obtain some of these for a period of 3-5 years, for example? At that time it was not known as clearly as it is today what problems we were confronting. Today the helicopter service has a surplus of pilots. Are these not good enough for the Defense Department?

Here it should be possible to work up an arrangement which would help both the Defense Department and the civil aviation companies. There is, for that matter, an arrangement where a number of civilian pilots operate the army's small aircraft. This has been set up after an initiative from the civilian pilots themselves. A similar arrangement could be carried out with jet aircraft, for example the F-5. In that way several pilots from 338 Squadron at Orlandet and 336 Squadron at Rygge could be released to fly the F-16's. It is worth mentioning that one of my Swedish colleagues who began at the same time as I in SAS in 1979, still flies the Draken at times, and another flies the very advanced Viggen.

It appears that the leadership of the air force undervalues the resources which are lying around unused. Remember that the personnel that we are talking about here would be highly motivated for the mission! And last but not least, we are dealing here with the war potential of the air force.

Carrying out the actions outlined above will require some money, and in my opinion considerably more willingness toward problem solving on the part of the leadership of the Defense Department. I feel certain that the difficult situation we have today can be helped significantly.

9287

CSO: 3639/116

## MINISTRY OFFICIAL REJECTS 'TASS' CHARGES ON LORAN-C

Oslo AFTENPOSTEN in Norwegian 13 May 83 p 11

[Article by AFTONPOSTEN's Moscow correspondent Bobo Scheutz: "TASS Unveils Loran-C Criticism"]

[Text] Moscow, 12 May--The decision to expand the Loran-C navigation system with nine new stations has caused a storm of protest in Norway, where the "progressive public" opposes the effort by the United States to pressure the Conservative Government.

So writes the Soviet news service TASS in a commentary which claims that the decision to expand the navigation system is part of the United States' and NATO's "dangerous actions which are intended to step up military preparations in North Europe, primarily Norway."

TASS writes that NATO's strategy considers that Norway has "special strategic importance," and that it has become more common to place a high value on the American military, which comes on visits and holds "all kinds of maneuvers" in Norwegian territory. The United States and NATO are trying to establish a legal basis so that American and British missile submarines can use Norwegian ports in peacetime, said TASS. Already there is an agreement which forces Norway to place its air bases at the disposal of American aircraft with nuclear weapons onboard, it said further.

All this is for the purpose of undermining the Norwegian policy which regulates the stationing of foreign troops and nuclear weapons on Norwegian territory in peacetime, writes TASS.

The news service claims further that the Loran-C stations are mainly to help American nuclear submarines and that they are going to be used by the Defense Department. According to TASS the United States even has plans to put stations on Svalbard.

#### Norway Rejects

Permanent secretary Oddmund Hammerstad in the Defense Department rejected speculation from the Soviet news service TASS that the United States intends

to build a Loran-C station on Svalbard to navigate its own nuclear submarines.

"The nine Loran-C stations which will be built along the Norwegian coast, among them one on Bjornoya, have civilian, open navigation systems which can be used by all ships over and under the water--also Soviet. The Soviet authorities have known this well for a long time, and there will be no official Norwegian reaction to the claims from TASS," said Hammerstad to NTB [Norsk Telegrambyra].

He thinks that the TASS report originated in the government's consideration on 15 April this year of the appropriation for the two Loran-C chains which will cost 76 million kroner.

"Soviet authorities know that nuclear submarines depend on entirely different and more accurate navigation systems to determine exact position and aim at the missile target on land," said Hammerstad.

He pointed out among other things that the Loran-C system is not accurate enough so that drilling ships can use it for more than gross navigation. Permanent secretary Hammerstad would not speculate about whether the TASS report was a reaction to Norwegian statements that the antisubmarine operation off Stord was directed against Soviet ships.

TASS writes that it is against the Svalbard Treaty to let the United States build a navigation system on the island group. In the report it was also claimed that American and British submarines have more or less permanent sojourns in north Norway to undermine Norwegian base policy.

9287

CSO: 3639/116

MILITARY

NORWAY

BRIEFS

PANEL BACKS HAWK MISSILES--The Defense Committee of the Storting yesterday gave its recommendation on procurement of the American Hawk to be the anti-aircraft missile for Norwegian air bases. The committee recommended that the Storting give the Defense Department full power to make an agreement with the United States for the rent of missiles and equipment for 6 batteries of "Improved Hawk" and to procure radar and control equipment either from Swedish or American producers. The Defense Committee said in its recommendation that it is satisfied that the project has now come off dead center, and said that the department, as far as possible, should avoid further delays. Procurement of modern anti-aircraft missiles for air bases has been the highest priority material project in the Defense Department for a long time, the committee emphasized. [Text] [Oslo ARBEIDERBLADET in Norwegian 11 May 83 p 3] 9287

CSO: 3639/116

## PLAN TO CONVERT MILITARY EQUIPMENT PLANTS STUDIED

Lisbon DIARIO DE NOTICIAS in Portuguese 22 Apr 83 p 1

[Text] The Defense Minister and the chiefs of staff of the three armed forces branches are studying the possibility of converting the armed forces armories into export oriented (particularly to Portuguese speaking African countries) units.

"It is a matter of bringing together the commercial profit point of view with that of cooperation. In this manner, additional funds can be obtained to help reequip the armed forces without having to turn to the general state budget," said Baiao Horta to DIARIO DE NOTICIAS after his visit to the Alfeite Arsenal yesterday.

Baiao Horta, minister of commerce and industry and minister of defense since Freitas do Amaral left the government, agrees that, in the end, it is merely a "synthesis of both ministries' points of view." This synthesis is made without neglecting "the logistical support tasks to the armed forces" for which the armories were created.

"The armories represent an enormous potential for the armed forces. However, they obviously have a pre-April 25th philosophy. They were created at a time of war when it was necessary to equip a 300,000 man army. Now it is necessary to bring them up to date and cast them in new molds," said Baiao Horta.

"Anyone who is given the defense and industry portfolios, as I have been, must forcibly have a joint perspective of both," he continued. He stressed that he will not have time to begin the "marketing and exporting plan" for the armories but he can "do a study on the prospects."

Baiao Horta also said, "Life does not stop, it is necessary to make our military organization evolve." He underscored that the matter was discussed by the Superior Military Council and it has the support of the chiefs of the three armed forces branches.

While in Alfeite, the minister met for nearly 1 and 1/2 hours with Sousa Leitao, Navy Chief of Staff, commander Jorge Silva Forte of the arsenal's

board of directors and vice admiral Gama Higgs, administrative chief. Afterwards, he visited the installations to learn how they operate. It should be pointed out that these installations have the capacity to build 30,000 ton merchant ships and 3,000 ton displacement navy ships.

Baiao Horta's visits to the armories began Tuesday and will end on 10 May at the General Air Materiel Plant in Alverca.

9935

CSO: 3542/120

## NATIONAL GUARD REORGANIZATION UNDERWAY

Lisbon DIARIO DE NOTICIAS in Portuguese 22 Apr 83 p 1

[Text] The purpose behind the visit to the National Republican Guard's [GNR] general headquarters by the armed forces chief of general staff was to [discuss] the GNR's reorganization and to determine its precise role within the national defense law.

Melo Egidio, who under the national defense law also assumes overall command of the GNR during different "abnormal" conditions such as war, was received with the customary honors. He later visited the Largo do Carmo installations in Lisbon.

In a short speech in the presence of other general officers before he began the work with the GNR leadership, Melo Egidio called to mind the points contained in the current national defense law and said that even if they did not exist, a way should have been found to have the GNR and the armed forces complement one another.

He added, "There are many problems that have to be resolved even in peacetime so that in cases of emergency everything can be resolved without need for improvisations."

Meanwhile, the National Republican Guard's public relations officer said in statements to the press that the GNR had become "a completely militarized body." He underscored that in case of foreign danger the GNR will be charged with providing domestic security for such things as routes, dams and thermoelectric power plants.

However, according to the same source, the national defense law is not very clear on the matter. It is necessary for the leadership to arrive at a perfect understanding aimed at the reorganization of the GNR itself, which is now under study.

9935

CSO: 3542/120

## ANTI-AIRCRAFT, AIR FORCES TO HOLD ANTI-CRUISE MISSILE GAME

Stockholm SVENSKA DAGBLADET in Swedish 3 May 83 p 6

[Text] The Swedish Defense Forces are now beginning to train in shooting down the tricky nuclear-armed cruise missiles. During the large fall maneuvers in central Sweden the antiaircraft and air force, among others, are going to train for this task.

This was announced by the chief of staff of the Eastern Military District, Major General Gustaf Welin, when on Monday he announced the third large defense maneuvers in a short time in Sweden--this time the exercise is called "Ostkust."

For the first time in a very long time the shipping of troops to Gotland will be practiced on a larger scale. The fleet will be assisted by a chartered Gotland ferry and the air force will use its large Hercules transport aircraft.

Fully 20,000 men will participate in the exercise, which will be the same size as the two large exercises of 1982, "Norrsken" and "Sydfront."

"'Ostkust' is a direct followup of the two previous large exercises," explained Gustaf Welin. "Planning has been taking place for one and one-half years."

The Civil Defense is involved more than usual, and will have a rescue platoon of about 100 men in the exercise. A total of 450 persons from the Civil Defense will participate, most in command posts of different kinds.

The civil commander of the Eastern Military District, Governor Bengt Gustavsson in Nykoping, will assist in the operation, which will take place in an area from Vastervik in the south to Stockholm in the north.

The exercise will be most noticeable around Braviken and along the Sormland coast where they will be exercising against attacks by landings from the sea.

Besides personnel there will be 180 aircraft, 30 helicopters, 50 warships and 3,000 vehicles participating.

Cruise missiles are a new problem for Swedish defense. So far it is only the United States which has developed this nuclear-armed, technically very advanced weapon.

The missile can be compared with an unmanned aircraft which flies to its target at low altitude and with moderate speed. By means of a computer program it follows the terrain and does evasive maneuvers. It is difficult to detect by radar.

It is conceivable that the United States could fire cruise missiles over Swedish territory against the Soviet Union. That would be a violation of Swedish neutrality, and Sweden is then obliged to try to shoot down the cruise missiles. The same rules apply to them as to aircraft and submarines.

"Ostkust" is the third large so-called defense maneuvers involving all the branches of the armed forces during the 80's. The next exercise will take place in the Bergslagen area.

9287

CSO: 3650/184

## PUBLIC, POLITICAL LEADERS FRUSTRATED AS SUBMARINES ESCAPE

## Parties' Support for Defense Funds Viewed

Stockholm SVENSKA DAGBLADET in Swedish 29 Apr 83 p 2

/Editorial/

/Text/

## The World and Us

For reasons which are easily understood, yesterday's debates and decisions in the Riksdag concerning the direction of Swedish security and defense policy were observed with great interest, and not only within the borders of Sweden herself.

How, then, can we summarize the significance of these debates and decisions? Well, as both promising and alarming at the same time.

One of the positive aspects, of course, involves the fact that the Riksdag now, for the second time, incidentally, and between elections, has acknowledged that Sweden needs to develop a domestic air defense program appropriate to our situation. The JAS program is not merely costly; it is also a national undertaking of a magnitude which, more than words and declarations, shows the world around us that the Swedish people are prepared to defend their freedom and democracy.

Positive aspects also include the agreement among the four democratic parties as to how to view the security situation in part of the world. Labyrinthine political complications were conspicuous that day by their absence.

The alarming thing is mostly the discrepancy between the expressed defense ambitions and the means which the politicians, particularly the governing party, are willing to place at the disposal of the defense program.

The unparalleled and numerous territorial violations comprise an irrefutable proof that our neighbors will never respect high-flown declarations about freedom from alliances and neutrality unless we can effectively deter those who would violate Swedish territory--at sea, on land, and in the air.

Unfortunately defense minister Anders Thunborg (Social Democratic Party) did not make the announcement that the Swedish people have had reason to expect, after the anti-submarine commission's report: that the navy, for the rest of the current defense administration period, would actually receive the 200-250 million kronor for the reinforcement of anti-submarine programs, without corresponding cutbacks being made in other departments of the defense program.

As late as day before yesterday, defense chief of staff Bror Stefenson handed in a detailed report to the government concerning the use of these funds such that prime effectiveness be reached in anti-submarine warfare.

Ulf Adelsohn, Thorbjorn Falldin and Ola Ullsten all stood up in the defense debate to give their support to the anti-submarine commission.

No one, then, can doubt the Swedish people's support of the commission's report. However, we could not fail to notice that Left-Wing Communist Party leader Lars Werner failed to give his support to the increased defense grant which is necessary for the improvement of the anti-submarine campaign.

"The government will observe how liquidity affects our abilities to achieve the goals of the anti-submarine commission."

That was as far as the Minister of Defense could extend himself with reference to the needed "new" funds. Meanwhile, he kept the possibility open that as early as June the government will supply to the defense program 100 million kronor for price regulation for fiscal year 1983-84. The Riksdag could have saved the minister that worry by having approved a moderate, well-justified reservation before the funds in question would be placed at the disposal of the defense program.

It is certainly true that the differences between the democratic parties as regards defense issues, measured against international standards, are marginal. But even small marginal differences can be significant at critical moments.

For what good is a soldier with a rifle if he has no ammunition?

#### Moscow-Oriented CP Chief Doubts Report

Lulea NORRSKENSFLAMMAN in Swedish 28 Apr 83 p 2

/Text/ Stockholm (NFI)--"We have some cause for disappointment and curses," said Communist Workers' Party chairman Rolf Hagel, in reference to the report given by the commission assigned to investigate anti-submarine possibilities.

"And the reason is that the Social Democratic leadership and the Left-Wing Communist Party have been defeated by the sweeping campaign of the rightist

powers. After having lost the governing power in our country, the rightist powers now are trying to compensate themselves by steering the government towards continuous and closer ties with NATO. An example of this is the so-called spy-expulsion in Goteborg, which turned out to be totally groundless. Other examples include the attacks against the government's proposal for a nuclear-free zone in Central Europe and the opposition to the visit by PLO leader Arafat."

#### Increase in War Preparations

"And now the report from the so-called submarine commission rears its ugly head. This report builds on assumptions, guesswork and suppositions which form the foundation of a strong anti-Soviet campaign. It is clear from this and the abovementioned incidents that their goal is to change our foreign policy and to further undermine our Swedish neutrality policy. At the same time, they are counting on being able to justify increased military armament."

#### Read the Report

"We urge as many as possible to read the commission's report. Those who do will find that it equals and even surpasses Kajsa Varg when it comes to being self-serving.

"The international scene, with its impending risk of nuclear war, demands of our country's government that it reject this rightist offensive, that it should protect the Swedish policy of neutrality and continue working for peace and deescalation," said Communist Workers' Party leader Rolf Hagel.

#### Baltic Policy Examined

Stockholm SVENSKA DAGBLADET in Swedish 30 Apr 83 p 2

Commentary by Axel Waldemarson

Text

#### A Baltic Policy--Do We Have One?

"The main thing which the party leadership wanted to achieve in negotiation with the Soviet leaders was to convince them of the following: that the Russians should have faith in the fact that Sweden, rain or shine, has intended to hold fast to her neutrality. But that neutrality did not, on the other hand, have to serve Soviet plans in any way. For that reason, we rejected Soviet advances concerning guarantees of any kind.

"This issue in Russian-Swedish relations was of such importance that it dwarfed everything else. The party leadership, therefore, was not prepared to push Wallenberg to return to a point which could lead to tension between

the nations. The same was true, even more so, in the case of the aftermath of the incident with the plane that was shot down in 1952."

---Bjørn von Sydow, "Can We Trust the Politicians? Foreign and Domestic Policy Under the Social Democrats, 1955-60."

Does Sweden have a Baltic policy? Has it recently capsized?

A Swedish Baltic policy is a part of Nordic security and foreign policy. Similarly, our fate for good and ill over the centuries has been bound up in an almost fatalistic way with our policy towards the East.

It is no coincidence, therefore, that the three most serious incidents which we have been exposed to since World War II come from that quarter: the shooting down of the Catalina plane in 1952, the U 137 in the Gasefjarden in 1981, and the incidents in Harsfjarden and the Stockholm archipelago in 1982.

Uden's Signature

World War II changed everything for the Baltic nations. A new Baltic strategy had to be developed; for natural reasons, it was drawn up by Social Democratic governments, and bore Uden's signature to a high degree. After the crisis in Hungary, Uden observed the following to Ernst Wigforss:

"I have been trying to work towards decent relations with the Soviets; this is a real setback.:

As time passed, this Baltic policy of ours was not especially well articulated, and for that reason not always well observed. If we bring together the various elements, though, it is not difficult to see a pattern: it is a Nordic attitude we are reflecting, when we involve ourselves in a defensive, moderate policy.

Swedish Defensive

With defense goals in mind, Denmark, Iceland, and Norway have allied themselves with NATO. Norway has stationed a very limited military contingent at their Soviet border, in order to deter threats. With the same goal in mind, stockpiles of heavy material for an American "fire brigade force" have been distributed as far south as the Trondheim area, instead of the more militarily sound Bodo.

That no nuclear weapons be deployed in the Norwegian area--or in the Danish area--in peacetime is also one of the non-provocative elements of Norwegian security policy.

We in Sweden have also worked with defense policy methods. In a number of cases, strong opposition has arisen. In similar fashion, we recognized the

Soviet annexation of the Baltic states. Uden explained to his diplomats the necessity of this, in light of the heavy sacrifices made by the Soviet Union in World War II.

An important element in this policy has been the eliciting of expressions from the Soviets that they respect our neutrality, at the same time as we have been able to defend ourselves against the impression that the Soviet Union supported or guaranteed our neutrality for self-serving reasons.

#### Finland's Situation

According to the translated transcripts of the meeting between Urho Kekkonen and Nikita Khrushchev in Novosibirsk, the friendship and assistance pact between Finland and the Soviet Union has also been a defensive instrument.

In Sweden it is important that even this pact be seen as a contribution to the balance of power in the Nordic area.

Strong centrifugal forces outside of the Nordic area are watching new changes in the pattern with interest. Deployment of heavy weapons in Norway heretofore is seen in Moscow as a setback. On the other hand, the Soviet Union can chalk up large public opinion gains with regard to the limiting of nuclear weapon stockpiles and the peace movements. President Brezhnev achieved diplomatic progress during his last term; the Kremlin must have been satisfied enough with its Nordic policy not to endanger it.

But a new era has been ushered in with the revelations of Gasefjarden and Harsfjarden. No one could insist that the incidents in those places were manifestations of respect for Sweden's neutrality!

The incidents occurred at a time of heightened international tension, a time when we could observe an increased military interest in the Nordic region.

As the Red Navy has expanded, the Danish straits have become the unavoidable routes to the oceans of the world. The waters north of northern Norway are right on the border between East and West.

The situation in the Baltic basin is characterized by increasing instability. In Poland, tension is present; we shall see what May Day brings this year. From the Baltic states, we have reports of demonstrations and strict control measures. East Germany is well within the "contagion zone" too.

Both of the Baltic Sea and in the other zones of Nordic tension, interests are conflicting following low-grade tension with the pact's aggressive and weapons-stockpiling strategies. Suspicion runs high; every Swedish transaction with the U.S. regarding weapons technology is looked upon in the East as proof that we are gravitating towards NATO.

Advice to Sweden that we should occupy ourselves with a more active foreign policy--as if things weren't hectic enough as they are!--would be an obvious counter-move.

### Andropov's Legacy

It is certainly possible that the flashy so-called "diplomacy" after the government changeover gave Moscow exaggerated hopes about a breakthrough for a Nordic nuclear-free zone. But why should we risk that the zone negotiations end up in the trash?

The Danish Social Democrats are newly worried about factionalism concerning NATO's double decision on the missile issue. Also the Norwegian Workers' Party, which as recently as last weekend developed a broad-based statement on those issues, may be encountering increased difficulties. After the revelations of Harsfjorden, the Norwegians think ill of questioning NATO's credibility.

But it is a given fact that there are many factors involved and that the issues continue to be unclear. Transformations continue in Moscow as an aftermath to Brezhnev's administration. As far as Nordic expertise goes, Yuri Andropov must have boned up on the situation when he formed a troika in farthest Karelia with the departed Otto V. Kuusinen and the influential George Arbatov. What this will come to signify, remains to be seen.

One result, in any case, was the textbook, "The Foundations of Marxism-Leninism." It has been called "a well-organized, systematic adaptation of Leninism under modern conditions."

### Reasonable Price?

One stabilizing factor is that Finland has been so fortunate in Urho Kekkonen's successors. Unbroken confidence in the Paasikivi-Kekkonen policy has been transferred to Mauno Koivisto. Finnish stability is of vital significance for the entire Baltic area.

All the big questions can actually be combined into just one: If the submarine operations were worth such a high political price, then they must, most likely, have had a counterbalancing military worth of very high value: or did they? The answer can only be that such was the case.

Against this backdrop, our Baltic policy must be expanded to include new elements and dimensions. Our goal remains unchanged: to contribute, without concessions, to a condition of lessened tension.

Thus, our final statement yields up one of the many Nordic paradoxes: it is only by means of aiming towards a strong Swedish defense program that lessened tension can be achieved.

Sub Commission Chairman Defedds Report

Stockholm SVENSKA DAGBLADET in Swedish 30 Apr 83 p 7

/By Margareta Artsman/

/Text/ Goteborg--The Soviet minisubmarines are built such that they can also travel on land. They cannot move over mountainous terrain, but can pass over peninsulas. This came out when anti-submarine committee chairman Sven Andersson and commodore Sven Carlsson visited Goteborg Thursday evening.

The Soviet Navy made a big mistake when they did not understand that our Swedish defense program could unmake them by means of undersea investigations. Sven Andersson maintains that the commission did not exaggerate at all in its reporting about Soviet infringements in Swedish waters. Nor are there any differences of opinion between the commission and the government.

"The report has cleared the air, too. Now everybody understands why we had to be so secretive during these past five months.

"Of course we can't have reported about submarines in the Stockholm area if we didn't have definite proof that they were there. But we can't go public with our proof yet; that would only benefit the opposition. It will come out bit by bit from the defense staff, after analysis."

#### Not Under Military Control

There are those who think that Sven Andersson dances to the tune of the military. Nothing could be further from the truth, as defense leaders and others who know him can testify. But no one involved in defense would deny that there was a sign of relief when it became clear that he would head the commission.

#### Negative Reaction

International reactions have been negative; it has been thought that Sweden got rid of the submarines by negotiation. There has been much guesswork and fantasy written on this subject--for example, reports that NATO submarines were involved.

"Think what you will," said Sven Andersson, "it is a question of credibility for us who worked on the report. We are completely open when it comes to Harsfjarden and Mysingen; what happened before and after needs to be analyzed further. Remember that submarines were reported in November of last year and as recently as March of this year; reports still come in now and then."

The minisubs took the commission and the defense staff by surprise. Commodore Sven Carlsson confirms that they did not know about minisubs being used for military activity.

What we know now is that it is clear that these tread-driven small-scale submarines can travel on land. They are not built to go over heavy terrain, but can traverse peninsulas.

It is worth thinking about that this activity must have been going on for some time, and that the minisubs must have been preceded by many years of work.

"The Soviet Navy made a huge mistake when they didn't understand that we could, by means of underseas investigation, find out about these two kinds of 'mud creepers,'" said Sven Andersson.

That the commission included security policy suggestions in the report is not so remarkable, he said, and maintained that nothing points to any plan of attack against Sweden.

He denies that we have been too credulous in Sweden.

"I grant that anti-submarine programs have been neglected and I accept the responsibility for that and the necessity to change that now. But too credulous? No. Consider that the violations have doubled by a factor of 3 or 4 after Karlskrona, despite protests."

#### Vague Reports

Sven Andersson likes to comment on Soviet newspaper articles concerning groundless assertions and anti-Soviet propaganda inspired by NATO and "the devil and his grandmother."

"Just look at the way these poor TASS journalists' reports are written. They are vague and say nothing. People who are accustomed to reading and analyzing them say that what we are dealing with here is an indirect admission of guilt. All they can come up with to say is 'you have no proof.'

"But I assure you, apart from what the Soviets say, that what is in the report is 100 percent true."

Sven Andersson feels uneasy about Reagan's foreign policy, and belongs to the ranks of those who are convinced that the peace movement is one of the world's most important tasks. If the U.S.A. and the Soviet cannot keep peace, we are threatened with total annihilation. "We shouldn't laugh at the campaign of English housewives against nuclear weapons," he says.

#### Paper Sees Lessons for Press, Leaders

Stockholm DAGENS NYHESTER in Swedish 11 May 83 p 2

/Editorial by Olof Santesson/

/Text/

Sundsvalls Affair Comes to an End

The baffling reports from Sundsvall give us something to think about. Against our will we are forced to use the phrase "crisis of confidence."

What will the Swedish man in the street, newspaper readers, radio listeners, TV-watchers believe after all the vast information which has been spewed forth about the latest big submarine hunt?

There has been no final military evaluation of the Sundsvall affair as yet. In earlier submarine incidents, Sweden has had cause to aim protests at the Soviet Union; Moscow's rejection of these accusations was expected, but was considered an ill omen. That Sweden should be exposed to repeated violations of this kind is an abominable thought. From a military standpoint we are now beginning to formulate better suppositions for defending our territory. Meanwhile, it is even more urgent that we keep a cool head. This has not been done.

The anti-submarine commission has meticulously described what went wrong in the Harsfjarden incident. The problem was that "the mass media and the man in the street were given the impression that a positive result for the submarine hunt was close at hand, which psychologically prepared the way for a feeling of betrayal when it began to be clear that the submarine hunt was not going to be successful." And now we have dealt with the entire matter similarly.

Considering the hashing and rehashing of this affair in some of the mass media--a little self-searching wouldn't hurt here on the part of some parties --and the masses of unnecessary material which was pumped out on this topic, there is not much to say about the incident. Mines have been set off in Sundsvall, and depth charges released, in ways that have never occurred in Sweden before. This sort of thing causes a sensation, and not without reason.

We don't want to think, either, that the Swedish military is so incompetent as to be affected by general psychosis and to grab for goals which do not exist. The spokesman for the defense program, this time, has made a definite effort not to say too much. Their mistake--a serious mistake--is that the military once more has given the impression that we really were within reach of capturing one or more submarines.

Just as in the Harsfjarden affair, the military spoke about "blockades," in such a way that the ordinary public believed that the submarine or submarines could not escape. Sloppier expressions than this seem to have been used as well. The mass media, in their turn, spoke of "locked-in" submarines--despite the fact that we should have known better after Harsfjarden. It was the same as at Sundsvall--they were never really locked in.

Obviously we cannot emphasize too much how terribly difficult it is to force a submarine which is encroaching on one's territory in peacetime up to the surface. Up to now no country has been successful in doing this. And we cannot be sure that things will be that much easier when the new, especially

selected weapons are finally used in this; the significant think is that the invader, in any case, will be made to feel somewhat less secure. As far as ships go, Sweden has not depended on large or very costly submarine hunting methods--for example, frigates--and we have nothing of this kind planned for the future either. But we hope to be able to function better in discovery and capture. Capture, however, remains difficult.

Even if it was psychologically dysfunctional, our defense forces should have reminded us of this difficulty more effectively. Since that did not happen, the mass media should have made the effort of their own accord to put the Sundsvall hunt in the correct perspective. In any case, we, in various quarters, should draw something useful from the anti-submarine commission's report--it is not only well-written, but also in many aspects well thought through.

Now we have new material to study, sadly like the old in its salient points. If the military and the mass media don't learn anything from this, then we most likely will never learn. But we must manage our various resources better next time when it comes to submarine hunting. Otherwise we will be failing at an important national task.

9584

CSO: 3650/185

## EXPERT VIEWS RESULTS OF SIGNING OF LOS TREATY

Hamburg AUSSENPOLITIK in English No 2, 1983 pp 171-184

[Article by Uwe Jenisch]

[Text]

After nine years of negotiations, the 3rd UN Law of the Sea Conference ended in Montego Bay, Jamaica, on 10 December 1982. 119 states signed the Convention on the spot. Another 23 countries signed only the Final Act. They either refused to sign the Convention as well or needed more time for an in-depth study of the text. Among the Western industrial nations that did not sign the Convention are the Federal Republic of Germany, USA, Britain, Japan, Belgium and Italy. Dr. Uwe Jenisch of the Schleswig-Holstein Ministry for Economic Affairs and Transport – he attended all sessions of the conference as advisor to the German delegation and provided a continuous analysis of developments in a series of articles written for *Aussenpolitik* – regards this group of states as the nucleus of a potential confrontation with most of the developing countries, the whole of the East Bloc, most non-aligned nations and even some Western industrial countries. What is at stake here is, on the one hand, the relinquishment of the Freedom of the Sea principle in favour of a by now dubious concept of the sea as a common heritage of mankind and, on the other, the establishment of a bureaucratic planned-economy regime for deep-sea mining along with the portioning out of the sea through exclusive economic zones and continental shelves that would place 40 per cent of the world's sea area under the jurisdiction of a few states with long shorelines. Only the industrial nations have the technology, capital and know-how needed for deep-sea mining. The non-signatories of the Convention contribute the lion's share of the UN budget which is to fund the Convention's institutions. The USA has already frozen a sizeable portion of its UN contribution. It is very questionable whether the Preparatory Commission that has meanwhile been established will lead to substantial improvements of the Convention. Countries that have signed the Final Act (but not the Convention) have a seat but no vote on the Preparatory Commission. The Federal Republic of Germany will naturally have to present constructive Law of the Sea proposals if it is to lend some clout to its demands for improvements. Time has not yet run out. The Convention will come into force 12 months after presentation of the 60th ratification document and/or declaration of accession. This will happen in two or three years at the earliest. – The views expressed are those of the author.

### 1. The Signing of the Convention

Attended by UN Secretary-General Perez de Cuellar, the 3rd UN Conference on the Law of the Sea ended with the signing of the Convention<sup>1</sup> and the Final Act<sup>2</sup> in Montego Bay, Jamaica, on 10 December 1982.

1 Final text in A/Conf. 62/122 of 7 Oct. 1982 plus corrigenda 1-8.  
2 Final text in A/Conf. 62/121 of 21 Oct. 1982 plus corrigenda 1-8.

The Convention's 320 articles, nine annexes (some of them extensive) plus four resolutions comprise the whole of the new Law of the Sea governing all uses of the sea. The annexes contain various implementation regulations, particularly with regard to sea-bed mining and the settlement of disputes. Pursuant to Article 318, they are an integral part of the Convention. Resolution I which, like all other resolutions (Resolution II on preparatory investment protection for pioneer investors, Resolution III on the rights and interests of territories not yet independent and Resolution IV on the right of recognised liberation movements) is indissolubly linked with the Convention without being part of it, governs the establishment of the Preparatory Commission.

The Convention was originally to have been signed in Caracas, the capital of Venezuela, which had hosted the 2nd session of the Law of the Sea Conference in 1974. In fact, the Convention was to have been named the "Caracas Convention". But when Venezuela, dissatisfied with the provisions of delimitation of maritime zones, rejected the Convention and withdrew its invitation, the General Assembly of the Conference in its resolution of 24 September 1982 gratefully accepted Jamaica's invitation<sup>3</sup>. At the same session, the Conference also agreed on its official designation as "United Nations Convention on the Law of the Sea".

The diplomatic negotiations had already come to an end with the closing of the 11th session in New York and the adoption of the Convention through a verbal vote. At that time, 130 states voted in favour and four against the Convention (USA, Israel, Turkey and Venezuela). Seventeen nations abstained, among them the Federal Republic of Germany and some of the other EC member states plus the East Bloc (without Roumania). Another 17 nations were not represented<sup>4</sup>.

By pure coincidence, the signing date in Jamaica coincided with Human Rights Day, eliciting numerous well meaning remarks regarding the historic and beneficial significance of the Convention. It might well have been more fitting, however, to have pointed to another historic reference: 1983 marks the 400th anniversary of the birth of the Dutch scholar of international law, Hugo Grotius, who is regarded as the father of the Freedom of the Sea principle – a principle buried by the new Convention. The real *leitmotiv* of the 3rd UN Convention on the Law of the Sea should be "From *mare liberum* to *mare clausum*"<sup>5</sup>. Pardo's brilliant 1967 idea to declare the sea-bed resources outside the then existing territorial limits as a "common heritage of mankind" occurs only in the preamble and in a few lip-service articles of the new Convention. There is no reference to it in the substantive contents of the Convention.

The bureaucratic and over-regulated deep-sea mining provisions, originally intended to encourage a flourishing mining industry, have a deterrent effect on private and governmental investors. Moreover, the world recession and the decline of commodity prices have dampened the interest in manganese nodules. The sea-bed mining provisions have come ten years too early.

The resources of the maritime zones closer inshore are of much greater economic importance. The exclusive economic zones (EEZs) and the

<sup>3</sup> Law of the Sea Conference resolution as per A/Conf. 62/S. R. 184 of 11 Oct. 1982.

<sup>4</sup> As to the position of the conference at the time and analysis of the new Law of the Sea see: Jenisch: "The UN Law of the Sea Conference before its 11th Session" in *Aussenpolitik* 1/82 and "The New Law of the Sea Convention – German Views" in *Aussenpolitik* 3/82.

<sup>5</sup> John Logue: "The Revenge of John Selden: The Draft Convention of the Law of the Sea in the Light of Hugo Grotius' *Mare Liberum*" to be published in *GROTIANA* 1982.

ghanistan, Argentina, Bolivia, Lebanon, Saudi-Arabia, South Africa and Syria.

Notwithstanding the two-year period granted for the signing, 119 countries<sup>9</sup> from all parts and all political camps of the world signed the document on the spot; among them, as was to be anticipated, almost all developing countries, the whole of the East Bloc, most of the non-aligned nations and a number of small and medium industrial countries such as France, Canada, Norway and Australia. (The signatures of Japan and Antigua and Barbuda followed in February 1983.) Fiji, the first country to do so, has already presented its ratification document. So did Barbados and Jamaica in February 1983. Under Article 308, the Convention is to become effective among its signatories 12 months after presentation of the 60th ratification document or on declaration of accession. This will take a minimum of two to three years—depending on domestic circumstances in the individual nations and on international developments regarding the Law of the Sea.

## 2. The Signing of the Final Act

The Final Act<sup>10</sup> must be clearly differentiated from the Convention. Legally not binding, the 22-page Final Act is a summary of the 14-year history of the Convention in the making, the negotiations themselves and the procedure of the 9-year Conference on the Law of the Sea which, attended by several thousand diplomats, negotiated for a total of 93 weeks, producing well over 10,000 pages of documents (estimated)<sup>11</sup>. On top of the 119 states that signed the Convention, another 23 signed only the Final Act<sup>12</sup> because they either disagreed with the text of the Convention or simply needed more time to study it. They were: Benin, Botswana, Ecuador, Equatorial Guinea, the Holy See, Israel, Japan<sup>13</sup>, Jordan, Libya, Oman, Peru, Republic of Korea, Samoa, Spain, Switzerland, USA, Venezuela, Zaire, Belgium, Italy, Luxembourg, Great Britain and Federal Republic of Germany.

Apart from these countries, the Final Act was also signed by a number of not yet independent territories<sup>14</sup>, the EC and the liberation movements<sup>15</sup> that have been recognised by the United Nations. The right of signature of these entities in terms of international law is expressly laid down in Articles 1 and 305 in conjunction with Annex IX (relating to international organisations) and/or Resolutions III and IV. As opposed to the recognised liberation movements that (as per Resolution IV) may only sign the Final Act, international organisations and territories not yet independent may also sign the Convention (Articles 1 and 305). Due to disparity among EC nations (five countries signed only the Final Act while the other five signed the Convention as well) the EC as a whole was limited to signing the Final Act only<sup>16</sup>.

To sum up: The Final Act received 150 signatures. Only Turkey signed neither the Convention nor the Final Act.

9 118 states and the UN Council for Namibia; SEA/MB/13 of 10 Dec. 1982.

10 Final Act A/Conf. 62/121 of 21 Oct. 1982.

11 Official records I-XIII (published so far); see also the 10-volume documentation "Third UN Conference on the Law of the Sea: Documents", Renate Platzöder (ed), to be published starting from 1982 by Oceana Publications, Dobbs Ferry, New York.

12 SEA/MB/12 of 10 Dec. 1982.

13 Japan and Antigua and Barbuda signed in February 1983.

14 Netherlands Antilles, Trust Territory of the Pacific Islands, West Indian Associated States.

15 African National Council ANC, Palestine Liberation Organisation PLO, Pan Africanist Congress of Azania (South Africa), South West Africa People's Organisation SWAPO.

16 EC Council of Ministers Resolution; 807th Council Meeting (foreign ministers) in Brussels on 22/23 Nov. 1982 and subsequent negotiations at the Council of Permanent Representatives, Brussels. All EC countries signed the Final Act; France, the Netherlands, Denmark, Greece and Ireland signed the Convention as well.

continental shelves extending up to 350 nautical miles offshore place about 40 per cent of world ocean space under national control. The Convention did not succeed in preserving the high seas status on the EEZs. It is these sea areas that account for 80–90 per cent of the world fish stocks and for more than 90 per cent of the hydrocarbons whose current annual output amounts to 140 billion dollars – considerably more than deep-sea mining can produce in the foreseeable future. The EEZs are also the most important areas for marine scientific research and shipping.

In a manner that can only be termed intolerable, the text of the Convention favours a small group of countries with long shorelines at the expense of the rest of the world. An islet of only one square kilometre generates an exclusive economic zone with a radius of 200 nautical miles and a sea area covering 430,000 square kilometres. Ten nations – eight industrial and two threshold countries – thus hold 54 per cent of all EEZs: more than the remaining 150 nations put together.

With the Federal Republic of Germany as the only exception, all major industrial countries have been awarded enormous sea areas and resources for their exclusive use.

The fairytale of the equitable participation of the Third World applies only to a few major seaboard nations of Latin America, Africa and Asia. A great many developing countries, among them the 30 to 40 least developed nations, are left virtually empty-handed. The net result is the emergence of permanently privileged seaboard states and increasingly poverty stricken “hinterlands”. The expropriation (in terms of maritime law) of the latter is bound to lead to financial compensation claims against the rest of the world. To put it in a somewhat simplified nutshell: The new EEZs have further exacerbated some of the drawbacks of the existing international economic order by making the rich richer and the poor poorer. This state of affairs is not only morally untenable; it must in the long run also endanger world peace. Not only does the text of the Convention violate the Freedom of the Sea principle; it also runs counter to the concept of the common heritage of mankind. Moreover, it is highly doubtful whether the text is consistent with the UN Charter – especially with the principle of equality among nations, the non-discrimination provisions, the objective of economic and social progress and the preservation of world peace.

The main objectives of the preamble to the Convention, i. e. the maintenance of peace, justice and progress, have not been realised in the text of the Convention. Yet surprisingly many nations signed the document.

Of the 168 participants in the Law of the Sea Conference<sup>6</sup>, 144 were represented by ambassadors or – as in the case of 30 – the ministers concerned at the closing session in Jamaica (which was regarded as the continuation of the 11th session)<sup>7</sup>. For a variety of reasons, 24 mostly smaller nations from all parts of the world did not attend<sup>8</sup>. Among them: Af-

6 Press release SEA/MB/10 of 9 Dec. 1982.

7 143 states and the UN Council for Namibia. A/Conf. 62/123 of 9 Dec. 1982; see also SEA/MB/13 of 10 Dec. 1982.

8 Absent members as per SEA/MB/10 of 9 Dec. 1982: Afghanistan, Albania, Antigua, Argentina, Bolivia, Central African Republic, Comores, Cambodia, Dominica, Guatemala, Guinea, Kiribati, Lebanon, Liechtenstein, Mali, Nicaragua, San Marino, Sao Tomé, Saudi-Arabia, South Africa, Swaziland, Syria, Tonga and Tuvalu.

### 3. The Non-Signatories of the Convention

As of date of writing, 45 states have not yet signed the Convention. They are the 24 member nations of the Law of the Sea Conference that were not represented in Jamaica and the 21 countries that signed only the Final Act.

The reasons for not signing vary widely. Nothing certain can as yet be said about the motives of those countries that did not attend the Jamaica meeting. The non-signatories among those who attended include the group of Western industrial nations whose refusal to sign is due to fundamental political reservations regarding the deep-sea regime (USA, Belgium, Japan, Federal Republic of Germany, Italy, Britain). An analysis of the verbal and written statements<sup>17</sup> of these industrial countries shows conspicuous differences regarding the reasons for the rejection. For Belgium, the Federal Republic of Germany and Italy, the predominant element seems to be a desire for review and improvement, while Japan indicated its willingness to sign at a later date. Zaire deplors the unfavourable compensation provisions for countries with land-based mining industries. The rejections by Oman, Turkey<sup>18</sup>, Spain, Venezuela, Libya and Israel<sup>19</sup> are primarily motivated by regional delimitation disputes that are frequently due to domestic policy considerations. In some Latin American countries there is also the constitutional and domestic pressure to declare the 200-nautical-mile EEZs as territorial waters (Ecuador and Peru). Other countries have simply stated that they either still want to study the Convention and/or await the settlement of internal formalities (Republic of Korea, Oman, Spain). Switzerland wants to make its own stance contingent on the cooperation of important industrial nations; and the Holy See wants to await the general consensus of world-wide approval. The other countries (Samoa, Jordan, Botswana, Benin and Equatorial Guinea) have indicated no clear reasons.

Some of these countries have announced that they would soon sign the Convention. They are likely to do so in the near future. But a great majority of the non-signatories are so disenchanted as to wish to await further progress in the development of the Law of the Sea within and without the Preparatory Commission.

Conspicuously, the non-signatories among the Latin American countries (which, as a whole, spearheaded the new Law of the Sea drive) include the four important long shoreline states Argentina<sup>20</sup>, Ecuador, Peru and Venezuela plus Bolivia. Venezuela's refusal to sign is particularly grave because it had generally been expected at the beginning of 1982 that the final session would be held in Caracas.

There have been at least ten "solidarity lapses" in the African group as well: Benin, Botswana, Equatorial Guinea, Libya, Zaire and, among those who did not attend the Jamaica session, the Central African Republic, Guinea, Mali, Sao Tomé and Príncipe, Swaziland and South Africa. There have also been some scattered dissenters in Central America,

<sup>17</sup> Provisionally compiled in press releases SEA/MB/1-9; see also: summary records A/Conf. 62/PV 185 through 193 of Jan./Feb. 1983.

<sup>18</sup> Turkey: Written statement A/Conf. 62/WS 34 of 15 Nov. 1982.

<sup>19</sup> Israel: Written statement A/Conf. 62/WS 33 of 17 Sept. 1982.

<sup>20</sup> Argentina: Written statement A/Conf. 62/WS 35 of 9 Dec. 1982; see also: A/Conf. 62/SR 184 of 11 Oct. 1982.

Asia and the Pacific island states. But that detracts little from the general picture of overwhelming approval.

With regard to the dominant Part XI on deep-sea mining, the practical relevance of the Convention appears particularly doubtful as long as leading maritime and industrial nations with the necessary technology, capital and know-how keep aloof from it. Of the 11 countries to be awarded the status of "pioneer investors" whose exploration permits are to be converted into exploitation licences<sup>21</sup>, only six (Canada, France, Holland, India, Japan and the Soviet Union) have signed the Convention so far.

A similar aspect transpires when looking at the signatory states' significance as contributors to the UN budget that will initially have to finance the International Sea-bed Authority and its own exploitation company Enterprise<sup>22</sup>. The UN schedule of contributions (which the USA has termed inequitable and which it has increasingly criticised lately)<sup>23</sup> is most remarkable: It shows that 82 countries contribute less than one per cent of the UN budget. And a two-thirds majority of 108 UN member nations accounts for only 2.5 per cent of the contributions while a mere seven countries finance 70 per cent<sup>24</sup>. They are (in descending order): USA, USSR, Japan, Federal Republic of Germany, France, Britain and Canada. Currently, the USSR is withholding 50 million dollars worth of payments to the UN. The 119 signatory states thus account for considerably less than 50 per cent of the UN budget although they include the Soviet Union and the whole of the East Bloc plus numerous medium-sized industrial countries.

The financing schedule for the Law of the Sea Convention provides for a variety of voluntary and compulsory contributions and earnings, though it is generally based on the UN financing schedule that is to be divided on a pro rata basis among the ultimate signatories. The establishment costs of the new regime (estimated at 2.5 billion dollars) will be spread among the signatories based on the UN schedule. This will play a major role in the forthcoming ratification proceedings in the signatory states. They will obviously think twice before taking on the burden of financing the system if the major contributors continue to stay out.

#### 4. Review of the Closing Statements

Conference President Koh<sup>25</sup> of Singapore termed the outcome of the conference a new record in juridical history, saying that never before had 119 states signed such a sweeping convention on the spot. In his closing address, he termed the results a victory of the rule of law and the principle of peaceful settlement of disputes, human solidarity and interdependence among states. For the United Nations, he said, the redrafting of the Law of the Sea after 14 years of negotiations adds up to a success. UN Secretary-General Perez de Cuellar<sup>26</sup> termed the Convention a "fresh warm breeze" in a time of severe international crises.

<sup>21</sup> Resolution II, para 1.

<sup>22</sup> As to the financing schedule see: Art. 160.2 c, 171 ff and Annex III Art. 13 plus Annex IV Art. 11.

<sup>23</sup> *The Economist* of 4 Dec. 1982.

<sup>24</sup> UN financing schedule as per UN Doc. ST/ADM/SER.B/259 of 26 Feb. 1982: USA 25 per cent, USSR 11.1 per cent, Japan 9.58 per cent, Federal Republic of Germany 8.31 per cent, France 6.26 per cent, Britain 4.46 per cent, Italy 3.45 per cent.

<sup>25</sup> Closing statement by the President, SEA/MB/14 of 10 Dec. 1982.

<sup>26</sup> Statement by Secretary-General, SEA/MB/11 of 10 Dec. 1982.

Here are some salient points that transpired from the closing session at which 121 nations presented their positions on the Law of the Sea in statements<sup>27</sup> restricted to ten minutes each.

1) Despite vociferous assurances by many delegates and the President of the Conference, there remains some doubt as to whether an effective (and lasting) reconciliation of the interests of all nations has been achieved. Some states (among them Singapore, Sierra Leone and Sweden) bitterly deplored the fact that some countries had been awarded too much and others too little in terms of ocean space and resources, indicating a lasting and deep-rooted disenchantment among the group of geographically disadvantaged states and many developing countries. This could prove the motive force behind subsequent reviews of the new Convention – notwithstanding the fact that these states decided to sign. Ratification from these countries will come in particularly slowly.

2) The Convention, which dealt with such widely varying issues as the maritime zones in terms of international law and the deep-sea mining system (delving even into problems of business administration), is seen by most signatory states as forming an integral package from which the members cannot pick individual parts to suit them. Rights and obligations are seen as inextricably linked, and any selective application of parts of the Convention is impermissible. There is an implied threat in such statements by the signatory states to the effect that non-signatories will be hampered in the exercise of their maritime rights or that they will be discriminated against.

Large parts of the Convention do, in fact, create new international law applicable only to the signatories. This applies particularly to sea-bed mining, archipelagic waters and the EEZs. Thus, for instance, non-signatory states cannot lay claim to archipelagic waters – at least not until they can prove that these legal provisions have become part of a generally accepted international law.

In other areas, the Convention has either taken over old aspects of international law or has codified what was hitherto governed by customary law that emerged before (or independent of) the Conference on the Law of the Sea. This applies to the 12-nautical-mile territorial waters<sup>28</sup>, the right of innocent passage, the other freedoms of passage and fishing zones. Some quarters with special interests have occasionally claimed that economic zones, continental shelves and a number of other provisions have already for some time been covered by customary law and that the Convention did little more here than spell this out. The fact is that as many as 60 countries had already established 200-nautical-mile economic zones by the beginning of 1982<sup>29</sup>.

It would appear extremely doubtful, however, whether this can be parlayed into convincing legal proof of general practice accepted as (customary) law. The insouciance with which nations have contended that one or the other right is sanctioned by customary law must be seen as conference tactics. It should be left to the judiciary to rule on this.

<sup>27</sup> Provisional compilation in press releases SEA/MB/1-9; see also: summary records, footnote 16 supra.

<sup>28</sup> Against recognition of the 12-nautical-mile limits by customary law: Turkey.

<sup>29</sup> Supplement to *Nachrichten für Seefahrer* (notices to mariners) 7/1982 published by the Federal Transport Ministry, Bonn.

Should, for instance, a dispute arise – as it in all likelihood will – between signatories and non-signatories (USA!) over the right of transit passage through straits, it would become necessary to prove that customary law applies in that particular case. An important aspect here will be the fact that the Convention expressly grants freedom of passage to “all states” as opposed to “states parties” to the Convention<sup>30</sup>.

3) The confrontation on the issue of sea-bed mining continues in a more exacerbated form. Most signatory states and the President of the Conference are adamant in their stance that deep-sea mining is permissible only under the provisions of the new Convention and not in terms of the freedom of the sea or any other provisions. They argue that the exclusivity provisions contained in Article 137 have already been endowed as customary international law through the concept of the common heritage of mankind and that they therefore apply against the non-signatories. Even though this argument can be rebutted by pointing to the rules governing the emergence of new customary law (protracted, uniform and uncontested general practice accepted as law) a stark political problem remains with the consequence of factual legal uncertainty. The non-signatory states that have an interest in sea-bed mining derive their mining rights from the principle of the freedom of the sea and a still to be enacted reciprocating states’ agreement (RSA) (the so-called Mini Treaty) on respecting the individual claims to be exploited. Precautionary national interim legislation governing national deep-sea mining has been passed by the USA, Britain, the Federal Republic of Germany, Belgium and even the Soviet Union. A system of similar and (in terms of substance) coordinated national legislation and/or a sweeping reciprocity agreement as an alternative to the UN Law of the Sea Convention would only stand a chance if it were joined by a sufficient number of nations. The industrial countries now have to foot the bill for having omitted to summon the initiative during the Law of the Sea negotiations to offer attractive deep-sea mining models that could have helped overcome Third World antagonism.

The current tide of charges against unilateral national measures should be seen in the light of the fact that unilateral national extension of jurisdiction over sea areas by expansionist seaboard countries (in the form of numerous 200-nautical-mile EEZs) long before the end of the Law of the Sea Conference has infringed much more on the common heritage of mankind than national sea-bed mining ever could.

France and the Netherlands (both of whom are signatories) have adopted a rather unique position. They deplore severe deficiencies in the sea-bed regime – deficiencies the Preparatory Commission should rectify through consensus. They make their ratification contingent on this. This attitude essentially boils down to a “construed apportionment of blame”, providing France and the Netherlands with wide open options.

Such a position makes sense only if it is held that the Preparatory Commission can introduce changes – an issue that will be dealt with at the end of this essay.

<sup>30</sup> Innocent passage through coastal waters as per Articles 2.3 and 17; transit passage through straits as per Articles 34 and 38; archipelago passage as per Articles 53 and 54; remaining freedoms in the economic zone as per Articles 58 and 87.

4) One noteworthy aspect of the remaining statements is the Soviet Union's clarification to the effect that, in the case of dispute settlement under Article 287, Moscow would opt for arbitration rather than take the matter to the Law of the Sea Tribunal. Only in cases involving the immediate release of arrested vessels (Article 292) is the Soviet Union prepared to resort to the Tribunal. If other countries follow suit and opt out of compulsory jurisdiction the Court's chances of becoming the Convention's main watchdog authority will naturally diminish. China and Roumania (among others) have reaffirmed their former stances to the effect that – contrary to the unequivocal text of the Convention – coastal states must, for security reasons, retain their rights to regulate the passage of foreign naval vessels through territorial waters.

### 5. Legal Consequences of the Signing of the Convention

Under the provisions of Article 305, the Convention will be open for signature at the Foreign Ministry of Jamaica for 24 months, i. e. until 9 December 1984. As of 1 July 1983 it will also be open for signature at the UN headquarters in New York. Article 307 provides for accession after this period as well in a procedure that requires no signature and takes the place of ratification.

The first practical consequence of the signing of the Convention is the establishment of the Preparatory Commission<sup>31</sup>. The minimum of 50 signatures required for its establishment has been impressively exceeded. All signatories – and this includes late signers – are treated as equals in terms of the Preparatory Commission, giving those who have not yet signed time to form an opinion and arrive at a decision. Signatories of the Convention are entitled to a seat and a vote in the Preparatory Commission while those who signed only the Final Act are granted observer status only. (See section 6 for details.)

It has frequently been pointed out in the discussion on the pros and cons of signing that the signature does not bind<sup>32</sup> a state to the Convention – neither legally nor politically – and that it entails no obligation to ratify it; and only ratification entails legal consequences.

However, in view of the substance of the Convention, its signing is likely to entail the political consequences of being interpreted as an important signal of approval of the system of maritime zones and the introduction of the UN deep-sea regime. For reasons of credibility (if for no other reason) the signing must therefore be seen as a preliminary act aiming clearly at ratification.

The problem is rather more complicated in terms of international law. There are many international treaties that have been signed but not ratified. And even after a government has signed such an agreement, it is still at liberty to either reject it or recommend its ratification by parliament. But this "normal" situation does not apply to the Law of the Sea Convention.

Under Article 18 of the Vienna Convention on the Law of Treaties, the signatory of a treaty must refrain from any actions that would run

<sup>31</sup> Preparatory Commission as per Resolution I, para 1.

<sup>32</sup> Deutscher Bundestag, Plenarprotokoll 9/134, p. 8296; Adelman: "Ja – zur Seerechtskonvention", HANSA 1982, p. 1563.

counter to the aim and purpose of the treaty (the so-called frustration clause)<sup>33</sup>. Even though the Federal Republic of Germany did not sign the Vienna Convention, this article's provisions are likely to be seen as a customary law ... or to say the least, conforming to it is a matter of sound political form. The signing of the Law of the Sea Convention would therefore narrow the scope for envisaged reciprocity agreements with other mining nations – agreements that would be substantially different from the Law of the Sea Convention.

Another aspect that must be taken into account is that Resolutions I and II referring to the Preparatory Commission and the Preparatory Investment Protection – in keeping with a practical need – anticipate the implementation of essential parts of the Law of the Sea Convention such as the production limitation clause and the development and structure of Enterprise. These resolutions serve as an instrument with which to regulate the preliminary application of parts of the new Convention before it actually comes into force. Thus, unlike with many other conventions, the signing of the new Law of the Sea Convention entails immediate legal consequences. This makes it important for individual governments to decide at the time of signing whether or not they are prepared to accept definitely the new system as a whole. Signing the Convention without regard for its subsequent acceptability in ratification proceedings would hardly be acceptable.

## 6. Preparatory Commission

Interest is now focussed on the Preparatory Commission<sup>34</sup>. It has been in session in Jamaica since 15 March 1983. All participants have probably come to realise that future destinies of the Convention – especially ratification prospects – will be decided in the Preparatory Commission. If the Preparatory Commission works in a "businesslike manner" (Koh), there is a chance that the number of signatories will rise considerably. But there is also an undercurrent of fear that the Convention might fail if the Preparatory Commission does not work satisfactorily.

The Commission's function is to prepare organisationally and in terms of personnel the Sea-bed Authority, the Enterprise and the Law of the Sea Tribunal and to process the first exploration applications by pioneer investors. The Commission's most important task in this connection is to draft the rules and regulations governing applications for and the issuance of sea-bed mining licences. All 119 signatory states are voting members of the Commission (not only the first 50 signatories). The signing of the Final Act, on the other hand, entails only observer status with full participation and speaking rights but no voting rights. The express formulation: "... signatories of the Final Act participate fully ... as observers ..." <sup>35</sup> extends this observer status to *all* work of the Preparatory Commission, including its sub-committees and workshops. In the closing session, the UN Secretary-General announced that the Preparatory Commission should meet in Jamaica on 15 March 1983<sup>36</sup>. The prescribed period for establishing the Commission – not earlier than 60 and not later than 90 days<sup>37</sup> after signing – was slightly exceeded inasmuch as it is 94 days in this particular case.

<sup>33</sup> Wolfrum: "Bemerkungen zu einer Zeichnung der Seerechtskonvention" (still unpublished working paper of 28 Aug. 1982; Bernhardt: "Völkerrechtliche Bindungen in den Vorstadien des Vertragsabschlusses", ZaöRV 1957/58, p. 652 ff.

<sup>34</sup> Resolution I, A/Conf. 62/121 of 21 Oct. 1982; see also Jenisch: "The New Law of the Sea Convention – German Views" in *Außenpolitik* 3/82.

<sup>35</sup> Resolution I, para 2.

<sup>36</sup> Statement by Secretary-General, SEA/MB/11 of 10 Dec. 1982.

<sup>37</sup> Resolution I, para 1.

The funding of the Preparatory Commission from the regular UN budget, including the establishment of a permanent Secretariat in Jamaica with an initial 37 planned posts (considerably less than the original demand), was the subject of a resolution of the UN General Assembly<sup>38</sup>. A Turkish-American counter-proposal to make only the signatory states foot the bill<sup>39</sup> met with no support. This prompted the US President on 30 December 1982 to freeze 700,000 dollars in UN contributions<sup>40</sup>. Note should be taken in this connection of the vociferous final statements by the President of the Conference and those countries that called for extreme thrift and effectiveness in the work of the Preparatory Commission while in the same breath demanding the greatest possible cooperation by non-signatory states<sup>41</sup>. So far as the future is concerned, much will depend on whether the non-signatories will offer a meaningful cooperation as observers on the Preparatory Commission – something most of them are likely to be interested in<sup>42</sup>. An irreconcilable confrontation has up to now been prevented.

Initial considerations have been devoted to the procedural regulations and the internal organisation of the Preparatory Commission on the basis of preliminary blueprints provided by the Conference Secretariat. Among the things that still have to be worked out are the criteria for the implementation of Resolution II on preliminary investment protection, conditions for the transfer of technology and similar implementation modalities.

As things stand now, there appears to be a necessity for the establishment of at least five committees:

- Organisation of the Enterprise;
- Financial compensation for terrestrial mining nations;
- Rules and regulations, including the realisation of pioneer projects;
- Procedural regulations and organisation for the Sea-bed Authority;
- Procedural regulations and organisation for the Law of Sea Tribunal.

The regional groups of the world will be decisive in assigning top positions. Experience so far shows that it is most unlikely that the Federal Republic of Germany – should it sign the Convention in good time – will be able to lay claim to a top position in the Preparatory Commission. Here, and with regard to voting regulations, the same procedural rules and power ratios apply as in the Law of the Sea Conference itself<sup>43</sup>.

Contrary to widespread views, the Preparatory Commission has been entrusted with precisely outlined tasks in connection with the implementation of the Convention and not its modification. Changes of the system can only be expected from the Review Conference<sup>44</sup> which is

<sup>38</sup> General Assembly Resolution A/37/L.13/Rev. 1 of 22 Nov. 1982; initial costs 18 million dollars.

<sup>39</sup> General Assembly A/37/L.15 of 8 Nov. 1982.

<sup>40</sup> AP press release of 5 Jan. 1983 which also mentions that the Soviet Union owes the UN 50 million dollars.

<sup>41</sup> To mention but two of many: Closing statement President Koh, SEA/MB/14 of 10 Dec. 1982 and Denmark's closing statement of 9 Dec. 1982.

<sup>42</sup> So far, only the USA and Turkey have expressed their disinterest in cooperating in the Preparatory Commission.

<sup>43</sup> Resolution I, para 4.

<sup>44</sup> Art. 155 (The Review Conference).

to convene 15 years after the start of sea-bed mining. It is unlikely though not impossible that the Preparatory Commission (contrary to its limited function) will develop to the point where it will discuss substantive changes or other corrections that might prove necessary. In any event, the Commission will be expected to provide some useful information on how the deep-sea regime is to be implemented in view of its numerous practical shortcomings and without some of the important contributors to UN coffers. Further decisions on whether to sign and/or join or on reciprocity agreements will certainly not be made before the results of the Preparatory Commission's work permit some conclusions as to the further development of the Convention. The new Law of the Sea is not an "event"; it is a process.

## 7. Conclusions from the German Vantage Point

The Bonn government has not yet decided whether or not to sign the Convention. In his closing statement<sup>45</sup>, the head of the German delegation, Ambassador Jung, deplored the fact that it was impossible to arrive at a convention acceptable to all. He said that, as a geographically disadvantaged country with weighty marine interests, the Federal Republic of Germany would adhere to the greatest possible extent to the principle of the freedom of the sea and strive for further improvements of the deep-sea regime.

International pressure on the non-signatories to sign as soon as possible is bound to be heavy. But really sharp reactions or threats of discrimination have been rare.

If Germany's not signing at this stage is to make any sense at all, the sense can only lie in combining this with a constructive Law of the Sea policy in Bonn itself – a policy aimed at bringing about the improvement of important framework conditions that would make the Law of the Sea Convention more acceptable or at hammering out alternatives. The new Law of the Sea coincides with a crisis of Germany's sea-related business as a whole. This business accounts for some 200,000 jobs in such sectors as shipping and shipbuilding, marine technology and marine research, fishing and environmental protection. The future of these jobs now hangs by a thread. Will the new Law of the Sea invest Germany with a right to participate in the economic opening up of the sea or will the Federal Republic of Germany become a non-maritime inland state leaving major maritime activities to other industrial nations in a system of division of labor. The fate of Germany's fishing industry, which for six years has had to cope with unclear legal positions and the unvailed egoism of partners and competitors – despite our membership in the EC – is a telling example of enforced maritime abstinence. But time is running out. Seen from a German vantage point, the salient elements of this country's Law of the Sea policy have remained unchanged:

- Stocktaking and effective coordination of all German marine interests within the framework of a national marine policy;
- Implementation of an integral EC sea, i. e. the application of all provisions of the European Treaties to the fisheries, exclusive

<sup>45</sup> Federal Republic of Germany's closing statement of 8 Dec. 1982, SEA/MB/7 of 8 Dec. 1982; see also written statement A/Conf. 62/WS 16 of 10 March 1981.

economic and continental shelf zones of present and future member states, ultimately resulting in a regional economic zone comprising some six million square kilometres of sea area in the Northeast Atlantic<sup>46</sup>;

- Development of attractive cooperation models for the exploitation of the 200-nautical-mile zone and for deep-sea mining (joint ventures) with developing countries.

As a consequence of the closing session in Jamaica, the following demands also arise:

- Close coordination among non-signatory states of future attitudes. This applies particularly to countries with mining interests (USA, Britain, Belgium, Italy and Japan);
- Optimal use of the observer status on the Preparatory Commission where substantial system improvements must be demanded and the demand buttressed by proposals of our own.

Germany's fundamental interest in legal security at sea – and hence in the planned Law of Sea Tribunal in Hamburg – must not be permitted to obfuscate the fact that important framework conditions for the Law of the Sea are still in need of improvement.

46 Jenisch: "Probleme der Anwendung des Europäischen Rechtes in den Meereszonen der EG-Staaten", *German Yearbook of International Law* 1979, pp. 239-254; European Parliament Resolution, Bundestags-Drucksache 9/2367 of 27 Dec. 1982.

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