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JPRS L/8353

26 March 1979

TRANSLATIONS ON WESTERN EUROPE
(FOUO 18/79)



WEST

EUROPE



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FRANCE

CARTER SEEN 'PUTTING WORLD IN DANGER'

Paris PARIS MATCH in French 2 Mar 79 pp 60, 79, 81

[Article by Arthur Contel]

[Text] In attacking Vietnam, Teng Hsiao-ping must have had the impression that he had in some way gotten the green light from the Americans. During his trip to the United States, he stepped up his startling statements and apocalyptic visions, without ever being seriously crossed by those with whom he spoke. Far from being satisfied to smoke the American-Chinese peacepipe in the temple of the White House, he endlessly berated the Soviet beast and was not seriously admonished by his hosts for all that. With extreme ease, he even persuaded Jimmy Carter to sign with him an unplanned text whose anti-Soviet spirit is beyond doubt. This suggests one of two things. Either he in some way considers the great chief across the Atlantic to be an incompetent man whose opinion matters little or who has such wavering opinions that they have become ridiculous. Or else he is absolutely convinced of always being able to sway the chief, or so-called chief, of the American administration to accept his own views. Basically, what threatens world peace is the "American void." That is now the source of the real specter. The tragedy is that Jimmy Carter's weakness is proving to be so great that all world balances have suddenly been affected or upset. That is when the worst can be expected.

The Russians themselves have always been glad to hold a dialog with a strong and candid American president. Even during the worst period of the Cold War, they exemplarily respected a Harry Truman, so explicit and so impeccably direct. They were always very cautious with a cowboy and "finger-on-the-trigger" style president like Johnson. They were evidently heartbroken over the resignation of Richard Nixon, who exemplified an astute and determined model sovereign in foreign policy. We remember how, in the sixties at the time of the incident of Soviet rockets in Cuba, the young Kennedy was able to force Khrushchev's respect. The Russians like to deal with a man who knows what he wants. They value this for three main reasons. One reason is that they want to be able to assess the exact risks of their own initiatives or reactions and not to exceed the limits. The other is that a weak or fickle president, from weakness as it happens, does

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not have good control over himself, is not safe from reactions which are too impulsive and may suddenly give way to rash decisions which create an irreparable situation. The third reason is that a president who is too weak abandons the sphere of authority, the initiative for action or the choice of response to forces which are not responsible, such as the army, the treasury or intelligence services, which are not in a position to measure all the consequences of their political acts. A president who is too weak brings in too many unknown factors on every occasion and communism does not like to gamble with the unknown. Now as it happens, this is exactly the case today.

We would probably even have to go back very far in American history to find a president as surprising and vague as the pale Georgian in charge of the White House.

In the beginning, however, the man had many assets.

His origins are simple. This is a considerable advantage. It is better not to be weighed down by heavy intellectual baggage for such a position. The extraordinary Truman, one of the greatest presidents in American history, began his life as a shirtmaker. Johnson managed America no differently than a ranch. Nixon was certainly not a well of knowledge. From his experience in sports, Kennedy had acquired a direct and lively style which made people forget the refinement of his tastes and the elite side of his development. From a family of peanut farmers, Jimmy Carter could have retained much of his good country sense. He basically had a lot going for him. The governor of Georgia, i.e., the proconsul of a modest state with a relatively low population, he was able to remain in direct contact with dynamic problems. He was able to remain aloof from the guile, lies and false communications of far-flung capitals. In general, such trials harden a man against all unreasonable fears.

He is working hard to succeed. He has a retinue which exhibits an identical zeal. If pitiless newspapers have cruelly published photographs in which the American first lady appears to be conversing pleasantly in one instance with Jim Jones, the false prophet destined to order the collective suicide of the Guyana Temple sect, and in another with John Gacy, since arrested in Chicago for the sadistic murder of 32 young men, we know that these are not rash acts, but accidents in a job which requires coming into contact with too many people without any control.

Obviously, the Carters have a high awareness of the public welfare. The President even handles with dignity the problems posed by his family. Ruth Carter Stapleton, his younger sister, an electrifying evangelist who preaches the miracle of "internal healing" worldwide, was naively deceived by the American porno king Larry Flynt, who has been prosecuted in the courts for publishing one of the most obscene magazines, HUSTLER, and who was only too happy to take advantage of the friendship of a Carter. Billy, his younger brother, a strange clown afflicted with an irrepressible

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stammering and the black sheep of the family, has made a fortune since Jimmy has taken office by lending his name, in return for huge royalties, to beer, tee-shirt, and peanut candy bar trademarks. The President has exhibited decency and patience which demand respect. This man knows how to calmly swallow abuse.

In getting himself elected, he demonstrated a lot of ability and tactical sense, even upsetting all predictions. No doubt it has long been known that someone can be an excellent candidate as well as a poor president. It is one thing to be elected; it is another to deserve having been elected. This is quite true except that on such a scale, victory implies a lot of know-how, some gift of foresight and a good deal of adroitness, qualities required for exercising the presidency itself.

But overly severe handicaps did not fail to crop up. Carter was unable at first to establish a clear and obvious public image, even physically. Television viewers like to define the highest figures in terms of simple and even simplistic visual images. De Gaulle was the volatile mastermind, not always easy to take. Nixon was the shrewd operator. Kennedy was the scion of an elite family agreeing to box in the most popular matches, capable of playing Superman. Eisenhower was Percival, whose purity merited the helmet. Truman was the tough sheriff who couldn't be duped. Carter? . . . We dare not answer. We look at those teeth so real, so displayed that they appear false. We unmask that wrinkled face, from deep discouragements, which belies the good humor trying to break through. We observe the strange vague look which, even during press conferences, seems more inclined to turn inward than toward those questioning him. We view the game of hands which do not know what to do with themselves. We see a short forehead under a thick shock of hair, becoming furrowed with so many wrinkles because of both big and little problems. The observer does not at all "sense" the kind of man he is dealing with. He suddenly experiences an irritating feeling of uneasiness. Equally as suddenly, he is led to attribute the same ambiguity, the same "incompleteness," to the man's thoughts as to his face.

Next, the President continued to act in a manner which was too religious. In the long run, too many sermons sound false in the White House. The sermon even begins to seem like the easiest way of avoiding real problems or real explanations.

Finally, with as much evidence, Carter appeared to be contradiction itself. There is no end to the list of his wrong moves or turnabouts. After sifting through 4,000 pages of documents, Andre Halimi has even devoted an entire book to this, "Carter si, Carter no" [Carter yes, Carter no], as entertaining as it is ominous. A famous caricaturist depicted him as Mr Samba, one step forward, one step backward. He has come to be known as "Jimmy Who?" Of course the times, spinning too fast, expose any politician to contradictions. The modern tribune, bent on overexpressing himself, can necessarily only seriously contradict himself or act inconsistently in the

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final analysis. Yet any objective observer has no choice but to believe that Jimmy Carter will ultimately hold the world record for self-contradictions, providing his own antitheses and tripping himself up. We have seen him become entangled in his own counterpositions and counter-proposals even in the most important matters, such as Lebanon and Iran, which affect world peace and it is not American policy, such as it currently appears in this China-Vietnam affair, which could change such an analysis. Initially, Carter allowed Teng Hsiao-ping to announce his attack without reacting. Then he learned of it only through the newspapers, or so it would seem. Then just as he seemed to oppose it, he seemed to approve it by referring to Vietnam's offensive against Cambodia. He did everything to let the hunters unleash the hounds, but let the stag go free, all the while swearing to high heaven that he has nothing against either the poachers or the beaters and that no one loves peace and animals more than he does. It is a sad spectacle.

The American void is unquestionable and is becoming the major factor in any world analysis. That is exactly why our concern should be very strong.

It is too true that the stronger an American president is, the more he strengthens all negotiating forces in Russia over belligerent forces and the more he can keep impassioned or surrounded countries like China from all imprudent acts or from all rash reactions. On the other hand, the weaker he is, the more he allows China to give in to dangerous impromptu actions and the more he helps to strengthen imperialistic, pan-Slavist and conquering plans in Russia itself, to the detriment of all humanistic chances. In any case, only a very great leader in Washington can induce a new Russia to consider its own fate, to choose to develop its system more humanely and to finally become the great reformers, which the entire world wishes for it. In contrast, the American void is giving wings to the most ravenous, the most cynical and boldest opportunists in Russia.

To sum it up, in this tragedy as in the situation as a whole, it is not exactly Russia or China which must be feared--but rather this dizzying void and that poor lost individual . . .

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FRANCE

ROCARD SEEN AS DIVISIVE FORCE IN FRENCH SOCIALIST PARTY

Paris L'EXPRESS in French 3 Feb 79 pp 58-60

[Article by Christian Fauvet and Jacques Roure]

[Text] On top of the dashboard of the Renault 30 traveling on the eastern auto express route are a stack of newspapers and a maroon hat. It is 1700 hours, Tuesday, 30 January. His press conference (see Oliver Todd's editorial) barely over, Francois Mitterrand is going to Chalons-sur-Marne where anxious party members are waiting for him. He himself is calm and relaxed and in good humor. With both hands he unfolds the FRANCE-SOIR and busies himself in reading marked passages.

However, this silent reader is preparing for a great political battle. This time the objective is not power in the country, as in 1974 and 1978, but power in the party. The opponent is no longer "the right" nor is it the Communist Party. He is within the socialist ranks.

This opponent spoke out at the very moment of decision in the elections of March 1978. He is Michel Rocard. In the midst of defeat he sang the song of hope, immediately becoming, in the eyes of active party members, the new face capable of giving their party a second wind. With a dizzying climb in the opinion polls, television shows, and meetings in the four corners of France, Rocard is taking wing; Mitterrand is silent.

On 15 January the deputy from Yvelines played his latest card on Channel 2. "If there is no agreement with Francois Mitterrand, what will happen?" --"If we win in the April congress," Rocard responds, "Pierre Mauroy will be the new first secretary of the Socialist Party." And, tacitly understood, he, Rocard, will be the candidate in the 1981 presidential election. In plain language, Mitterrand will be out.

At the very height of the storm the first secretary of the Socialist Party launched a single phrase among those which are causing the winds to shift: "Let there be a truce to 'Matamores' in order that we can prepare for the cantonal elections." According to the "Petit Robert" [dictionary] "Matamore" means blusterer, braggadocio, swaggerer.

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The word scored a bull's eye. In all the federation the lassitude extends to the east party member. In the department of Haute-Garonne, a Socialist Party stronghold, membership has fallen by one third. Here and there discouraged party members are tiptoeing away. "At the rate we are going," says one of them, "we are in danger of losing the cantonal elections."

On Saturday, 27 January, Michel Rocard met with local party members at Saint-Affrigne in the department of Aveyron. "My trip is for no other purpose but to help you wage a good cantonal campaign. Are there any questions?"

A member arose, "Dear comrade, your stories are very pretty but in my section the party members are leaving." Two hours later, at Millau, the scenario was the same. A member of the general council hurled at him, "Frankly, from here one gets the impression that you are wrangling between yourselves."

On Sunday Mitterrand's challenger attended the federation congress of the department of Correze, at Tulle. He was seated on the platform for only 2 minutes when a bearded man, secretary of the Seilhac section in the canton of Haute-Correze, took the microphone: "I am anxious to tell you here that we have a big bellyful of personal quarrels." The applause brought the house down. And yet, of the seven federation officers, six are Rocard partisans.

Attracted in the springtime by the "Rocard phenomenon," the party members now mistrust it. Since 15 January they know that Rocard wants Mitterrand's head. They are not ready to let him have it. Mitterrand retains the father image and that of statesman. Rocard, now at last, is no longer the man for rebirth but the man of divisiveness.

Copilot Applying the Brakes

On 11 February, in a room of the National Assembly, 101 rue de l'Universite, the last act before the decisive congress in April will be played. On that day the Socialist Party officials will seek, for a last time, an impossible agreement. For Michel Rocard has decided to play his own game to the end, even though he is aware that the trouble he has caused within the party by attacking its head makes his undertaking a delicate one. "We have 2 months," one of his closest collaborators explains, "to avoid having the congress becoming a plebiscite on Mitterrand."

In the weeks ahead the Rocard partisans will make every effort to eliminate, from their leader's behavior, anything that too much resembles personal ambition, and will place more emphasis on the political differences. For them the plebiscite will be avoided only if the congress is to choose between two ways of handling political and economic problems and not between two men.

As for Pierre Mauroy, he does not want to incur the reproach of being a parricide. In allying himself with Rocard on 6 January he says he had no

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purpose other than forcing Mitterrand to retain the same majority, the one which for 2 years has controlled the party: the Mitterrand-Mauroy-Rocard alliance. Engaged upon a course which may result in deposing the first secretary. Mauroy now wonders whether he is not at a dead end. The Rocard partisans, moreover, are disturbed at the first signs of sagging in their ally. "Rocard has the unpleasant feeling of finding himself in a vehicle with his foot upon the accelerator and a copilot who is jamming on the brakes."

The breaches in the Mauroy-Rocard front soon appeared. Andre Chenard, deputy mayor of Nantes, and a faithful Mauroy partisan, on 20 January signed a motion against the Rocard partisans, demanding that the party unite around Mitterrand and Mauroy. At the urging of Roger Fajardie, first deputy of the mayor of Lille, an amendment adding Rocard's name to the other two was put to a vote. It was defeated. Another proposed adoption of the phrase "unity without exclusion." Understood: without exclusion of Rocard. It, too, was defeated.

A Mitterrand clique has emerged even in Lille, holding a press conference on Wednesday, 31 January, in Mauroy's own fortress. This was never expected.

In Puy-de-Dome, a department won by Pierre Mauroy, the deputy from Issoire, Jacques Lavedrine, who had signed the Mauroy-Rocard text, sent a letter of support to Mitterrand; he was followed by three former deputies, one of whom is the present chairman of the general council. Albert Gazier, the former minister, also pleaded for reconciliation between the first secretary and Mauroy.

Even the overseas departments and territories, which the mayor of Lille had attracted into his camp, are rebelling. The officials of Guiana and Martinique are accusing Alain Vivien, a Mauroy partisan and Socialist Party official for overseas, of having deceived them.

The mayor of Lille is not unaware that his alliance with Rocard is sometimes regarded as basically wrong. On 18 January, at his request, he met with Mitterrand to assure him that he would uphold reunion to the very end without favoring this or that clique. Following that, with the Pas-de-Calais federation he drafted a unity text and on 1 February attempted a new advance to the first secretary. "We shall not subscribe," said one of his partisans, "to either a Rocard motion or a Mitterrand motion if there is no reconciliation between the two."

That is the position Mauroy will take at the 11 February meeting--for the sake of appearances. Any accord between Mitterrand and Rocard seeming visibly impossible to him, the Socialist Party's No 2 man would act upon the conclusion by presenting his own motion.

In the frigid festival hall at Chalons-sur-Marne, on Tuesday evening Mitterrand addressed a handful of Socialist Party officials. He spoke of the Nievre, of Eurocommunism, of the Aytollah Khomeine. Rocard was far removed.

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On another tack Mitterrand indeed gave him a dig, "I am said to be, it seems, cold to Europe. I, who participated in the first European congress at The Hague in 1947 with the Germans. By chance, I was even seated next to Churchill. No, that argument is not to be taken seriously."

One dig, no more. Mitterrand knows that the first rule for a surrounded animal is not to move. He has not moved. He has seen the others beating the countryside, Rocard following his trail with nose to ground, and Mauroy on his heels, later hesitating.

Mitterrand has enough perception of himself to be able to count his trumps. Throughout his political career it is when he was believed beaten that he recovered new strength. "I have not yet begun to take any action," he confides, "and already the front of resistance to the offensive unleashed against me is widening."

Announcing that the future now belongs to the 30-40 year age group, he has raised, in his party, "a cohort of red guards" ready to cross swords and prove that superannuation is not to be found where Rocard says it exists. Among these new men are Laurent Fabius, age 32, the thinker; Lionel Jospin, age 41, a capable officer of the general staff; and Paul Quiles, age 37, alumnus of the Polytechnic School and "commando" operations amateur. Behind them, Henri Emmanuelli, Christian Laurissergues, and Jacques Santrot, all three of whom are deputies.

In the early morning hours of Wednesday, back from Chalons, Mitterrand his hat on his head, opened the door of his house on the rue de Bievre. "Good night. In 2 months everything will be clear." In his pocket was the rough draft of the text which on 11 February he will put before Rocard and Mauroy.

"I am for unity without exclusion," he will tell them, "but I want it to be brilliantly clear."

"Where is the Shame?"

He will require neither one to go to Canossa. But he will not compromise on the political choices made 7 years ago by the party's majority. "I have fulfilled the responsibilities assigned to my by the majority of the party members. Wherein is that shameful?"

As Mauroy and Rocard wish, he states that he is ready to reorganize the party. But he cannot agree to a reconciliation which would mean weakening his powers as first secretary. "If they want to make me a do-nothing king or palace mayor, it is out of the question."

From the evening of the directing committee's meeting on 11 February up to 8 April, Mitterrand will fight tooth and nail to retain the same relative majority in the party which he has made foremost in France.

And if by chance, he should lose? "Nothing," says he, "equals the strength of a man who does not face up to the possibility of a failure."

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FRANCE

POSITIONS ON EURATOM, NUCLEAR WASTES DISCUSSED

Paris L'EXPRESS in French 3 Feb 79 p 61

[Article by Yann de L'Ecotais]

[Text] Who is still aware of Euratom, the European Atomic Energy Community established in 1958 and for the last 10 years fallen into desuetude? And yet, following the Suez crisis, the "visionaries" of Europe considered it more important, economically and politically, than the common market. Euratom was the Old Continent uniting in the advanced domain par excellence: civil nuclear research and industry. Who still knows that? At any rate the European institutions and the French government which in the weeks or months ahead may indeed find themselves in conflict, under the watchful eye of Jacques Chirac who, on 23 January, apparently with no one paying it much attention, said, "The European Communities Court of Justice has rendered an opinion under whose terms France loses entirely its nuclear independence... simply...cut to pieces."

Compatibility of the nuclear policy of France--a military atomic power--and the Euratom treaty is an old sore. General de Gaulle, with little desire to see a key sector of French foreign policy "communitized" succeeded, by "jawboning" in terms of "minicrises," of disarming what he considered an infernal machine of supernationality. Great Britain, a military atomic power, also distanced itself from the constraints of the treaty. As for the British, no waves were made. In short, it was forgotten....

Up to the time when, last spring, the Belgian government sought an opinion from the Communities Court of Justice: may a member country make commitments within the scope of the International Atomic Energy Agency (IAEA) without regard to the Community, that is, the European commission? This step is not an artless one. Some passages in the Belgian document were drafted in English and clearly appear to have been inspired by officials of the commission. On 14 November the Court of Justice decided: the Community as such, that is, the Brussels commission, must be "jointly responsible for the agreement being negotiated with the IAEA on physical protection of transported nuclear materials.

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Not very serious, you will say. But it is! For the justices at Luxembourg have made their interpretation, in "dynamic fashion," as is said in European circles, of the whole Euratom treaty. "The court," a high commission official emphasizes, "has in fact recognized that supply, control, and priority of nuclear materials constitute an inseparable and coherent trio," which is what Guido Brunner, German member of the Brussels commission and an official of Euratom, laid out before his colleagues on 13 December, on the basis of the court's reasoning: the Community has exclusive jurisdiction in the matter of providing nuclear materials within the European Economic Community as well as to third party countries; physical protection (measures taken to avoid misuse, theft, and so forth) is indeed a part of the security control which is the responsibility of the Community; the Community is responsible for European fissionable materials.

There is a change in dimension. Because, according to the court and the commission European inspectors should participate in the policing system for physical protection; renewal of the supply agreement between Canada and France would be within the jurisdiction of Brussels and likewise the agreement between Paris and Australia now being negotiated; management of the plutonium produced at the La Hague reprocessing plant would be subject to Community control.

This concept--in accordance with which, from the standpoint of exchanges, there is no difference between the common market and Euratom treaties--results, roughly, in considering nuclear materials like potatoes. In practice, what does this mean? If, for example, the Federal Republic of Germany send irradiated nuclear materials to La Hague for reprocessing, France would return the plutonium to Germany and it would be left to Brussels to concern itself with its use and destination. "You very well understand," a French diplomat reminds us, "that just because there is a common market for medicines, morphine is not sold with no strings attached."

It is therefore a question of law and policy. On the first point the Court's position is hardly debatable. On the second point, on the other hand, it must be acknowledged that, since the Euratom treaty was drawn up, nearly a quarter of a century has gone by: the international nuclear panorama has profoundly changed and the "supply" section of the treaty can be re-examined.

The European Commission, or certain member countries, can certainly exploit in depth what is only an "opinion" of the Court of Justice, as was done 8 days ago with the commission writing to the International Atomic Energy Agency to inform the latter that it would sit at the negotiation table on 5 February.

It may also be considered--and French diplomacy is exerting itself to promote this awareness--that judicial forms have nothing to do with this matter, which may become a nasty bombshell. It was none other than Valery Giscard d'Estaing who recalled, in July 1977, that "the three basic conditions for development of French nuclear policy are independence, security and responsibility."

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FRANCE

PCF'S FINANCIAL CONNECTIONS BARED IN DETAILED BOOK

Paris L'EXPRESS in French 17 Feb 79 pp 132-133, 135, 137-144

[Extract from the book "Les Secrets de la Banque sovietique en France" by Jean Montaldo, published by Albin Michel, February 1979]

[Text] Jean Montaldo consulted some 400 kilograms of documents--originals, not photostatic copies--in writing his book "Les Secrets de la Banque sovietique en France," published by Albin Michel. L'EXPRESS presents herein a highly significant extract from this book scheduled to be released this week. Never before have the close ties between the Soviet state bank and French communism been revealed in such detail.

When calling the Commercial Bank for Northern Europe (BCEN), or Eurobank, the "Soviet bank in Paris," the label I employ is literally correct. Legally and administratively, the BCEN is a French-chartered bank. Our laws require foreign banks to have a French PDG [president-general manager]. Guy de Boysson has been the BCEN's nominal president since 1965. Through two Moscow banks--the State Bank (Gosbank) and the Foreign Trade Bank of the USSR (Vneshtorgbank)--Soviets hold 99.7 percent of BCEN capital stock. The remaining 0.3 percent is held by Frenchmen Moscow considers totally reliable.

This means the BCEN-Eurobank is much more foreign than all other foreign and private banks established in France. It is the bank of a foreign state, but its bland noncommittal name gives it the dual advantage of appearing to be both French and private.

Whenever mention is made of the Morgan Bank, or the Bank of Bilbao, or Citibank, or Barclays, we know they are banks, branches, or agencies whose roots are elsewhere. Yet the diversification of their capital stock makes them more French than the BCEN, and infinitely freer than the latter because they are independent of any state authority. The USSR enjoys the unconscionable privilege of having a state bank in our country, a bank disguised "in the colors of France."

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The president-general manager of the Soviet bank in Paris is Guy de Boysson, a former communist member of parliament. Its real "boss," however, is the vice president-general manager, Vladimir Ponomarev.

This Soviet citizen has absolutely no freedom of action: he simply carries out Moscow's instructions. Here, for example, is how he is summoned to the Soviet Embassy: "Memo for Mr. Ponomarev: 12 October 1978, 1235 hours. The Soviet ambassador called when you were out. He asks you to come to the embassy at 1730 hours, 17 October. Extension 291."

In speaking to the Soviet bank's vice president-director general, the anonymous embassy individual who left this message "from headquarters" said he would "not call back" and did not want "his call returned."

The BCEN-Eurobank is a Soviet bank financed by Soviet capital and managed by Soviet civil servants. It operates exclusively on behalf of the Soviets.

From the standpoint of its overall financial statement, it is officially classed as the leading foreign bank in France.

Singular relations closely link it to the French Communist Party and the CGT [General Confederation of Labor]. These two organizations stoutly affirm they are independent of the Kremlin. Their statements teem with protestations to this effect. Yet in my book I prove that Georges Marchais and Georges Seguy leave their funds in Soviet banks. How could these two men possibly trust the Soviets with their money if they really had profound ideological and political differences with the USSR? The PCF and the CGT entitle Moscow not only to know all about their funds, but also to receive and handle those funds. This is the best proof of a veritable close relationship they no longer dare acknowledge.

On 26 October 1978, I examined the books of the BCEN-Eurobank located at 77-79-81 Boulevard Haussmann, Paris. The bank's three buildings, built in the 1900's, have had their facades modernized and all have bullet-proof metal shutters and doors. Its protective devices and measures already distinguish the Soviet bank from its competitors. The difference appears even greater in the way the bank keeps its some 3,500 numerically coded national and foreign accounts, the best protected in France.

This very exclusive club, to which small and middling savers have very little access, is distinguished by its homogeneity: it musters all the elite of militant, intellectual, labor-union, commercial, diplomatic, and police-like communism. A law obliges bankers to maintain banking secrecy. Another law requires that a journalist prove whatever he discloses. He is not bound by secrecy except in matters relating to national defense and protection of minors.

As illustrative examples, here are a few BCEN accounts as of 26 October 1978:

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- a. Georges Gosnat, member of parliament, member of the central committee, and treasurer of the French Communist Party: account No 05316-6 with a credit balance of 2,682,634.76 francs on "ordinary demand deposit"
- b. Rene Andrieu, member of the PCF central committee and editor of L'HUMANITE: account No 03710-3 with a credit balance of 6,835.55 francs on "ordinary demand deposit" plus 90,000 francs in a "2 to 3 year fixed term deposit"
- c. L'HUMANITE, main organ of the PCF: account No 5024-6 with a credit balance of 277,737.5 francs. Marked progress: on 16 October this demand deposit was 254,170.17 francs overdrawn; on 25 January 1979, it had a credit balance of 4,724,320.12 francs.
- d. LA VIE OUVRIERE, a CGT weekly; its president-general manager Henri Krasucki is a member of the CGT confederal bureau and the PCF political bureau: account No 5051-9 with a balance of 103,535.89 francs.
- e. CGT confederal headquarters: account No 5101-2 with 9,500,000 francs in "3-month certificates of deposit" plus 1,056,469.02 francs on "ordinary demand deposit."
- f. Embassy of the USSR: accounts No 30213-5 and 40213-7 (commercial representation): 269,776.89 francs and 1,975,318.7 francs; account No 30214-3: 104,075 francs; account No 40203-8: 22,197.64 francs; account No 40877-9: 7,409,810.63 francs ("foreign fixed term account").

Accompanied by a friend, I went to the BCEN on 16 January 1979 to open a personal account. A clerk turned us away: "We are a commercial bank. We cannot authorize a personal account here because we are not equipped for that... Go to the BNP [National Bank of Paris] next door."

In the BCEN, every one who wants cannot be an Andrieu.

All customers--banks, commercial firms, individual and legal entities--are charged variable "service charges." All except seven privileged customers who --because of the sums they handle--are exceptionally entitled to "free" service. These privileged customers are: Jean Kanapa,* Georges Gosnat, Secours Populaire Francais [French Popular Relief], Aeroflot, Sovexportfilm, TASS, and Intourist.

Russian bankers consider the PCF and its agents to be in the same category as official institutions of the Soviet Union.

This has been the case since 1920, date the French Communist Party was founded. After Prague, after Solzhenitsyn, after the unimpeachable disclosures about the Gulag, etc., the French Communist press still unflinchingly publicizes that cartoon-like image in which the United States, the Federal Republic of Germany,

*Chief of the central committee's foreign policy section; now deceased.

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France, Japan, and now China, are depicted as the "bad guys" while the USSR and its friends, Vietnam and Cuba, are shown as the "good guys." Such faithfulness to the substance of Soviet policy is worth a few sacrifices in form. This immense service rendered the USSR by the PCF, its press, and the labor unions it controls, are worth all the credit, all the loans, all the overdrafts, and all the easy-payment terms Moscow grants,--through the BCEN--to the CGT, L'HUMANITE, the PCF's publishing houses, and the business firms that supply funds to the party treasury.

The Soviets have a sort of "barrier" to keep the PCF in line, namely Georges Gosnat. The insignificant freedom communist newspapers have to criticize the USSR stops where his authority begins. Not only is Georges Gosnat the official party treasurer, but he also heads the party's "press, information, and propaganda office." This dual position makes him the PCF's most powerful and also most circumspect apparatchik. By opening or closing his hand, he can vitalize communist publications or sentence them to death. For the past 30 years, many tens of billions of francs have passed through his personal account in the BCEN.

Georges Gosnat is the son of Venise Gosnat, a factory worker and charter member of the PCF. When Georges was born in 1911, his father was working in a military industrial plant in Bourges. In 1924, he left that job and moved to Ivry which then was already one of the communist strongholds of the Paris suburbs. Maurice Thorez was Ivry's member of parliament at the time. Initially as janitor, and and later as manager of a group of apartment houses owned by the city of Ivry, Venise Gosnat earned a reputation as a strict manager. A disciplined communist, he applied the communist party precept: "Devote all your time to the Revolution, not only your free evenings." Maurice Thorez noticed him and made him one of the leaders of the party's clandestine apparatus.

With the Liberation, the father was elected deputy mayor of Ivry and appointed to the central committee's main financial control commission. At the time, son Georges had already shown his mettle in France-Navigation, the PCF's first large commercial enterprise. During the Spanish Civil War, from 1936 to 1939, he worked alongside Michel Feintuck, better known under the name of Jean Jerome. Former political bureau member Roger Garaudy has written that he was "the party's grey eminence--its secret treasurer watching over party funds and man on behalf of the Kremlin."

During his first trip to Moscow in 1938, Georges Gosnat did not see the atrocious reality of the Stalinist purges. He was eventually rewarded for his blindness. Ever since then, Georges Gosnat has been the hub of the official and unofficial, personal and direct, relations between PCF headquarters and Moscow. Some 40 years of faithful service have made him the sole irremovable member of the party leadership.

He has special and extraordinary personal status within the party. Of some 15 political bureau members elected at the successive 1947 and 1950 congresses,

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only Etienne Fajon is still active, and he will probably retire at the next congress. Gosnat has remained in office throughout all the reigns: Maurice Thorez, Waldek Rochet, and Georges Marchais.

When secretary general Maurice Thorez deserted in October 1939 and sought asylum in Moscow, it was Venise Gosnat who was assigned the task of saving the secretary general's personal papers. As for his son Georges, he was captured in 1940 and spent the war as a prisoner. He resumed his party activities immediately after France's Liberation. A member of the two Constituent Assemblies in 1945 and 1946, he became friends with Guy de Boysson. Their careers have been closely linked ever since: one serving in the Soviet bank in Paris, the other in the administration of the party depending on that bank.

The first urgent need was to give themselves a respectable cover. For Boysson, this was an easy matter because 21 branches of his family currently fill two pages of the social register. For Gosnat, it was his unexpected entry into the political campaign in Charente-Maritime, an entry that caught the opposition unawares and won him election to the National Assembly in 1946. The same year, he was appointed to the Georges Bideault government as under-secretary of state to the minister of armament. The minister was Charles Tillon, a communist. At 32, Gosnat was the youngest of the 10 communist members of that government. It was understood in high party circles, however, that he had not been promoted to excel in the management of public affairs, but solely to give him a respectable title. He was also known to spend most of his time in dealing with the PCF's financial and business problems.

Then came 1947 and the start of the cold war. Political consequence: the communists withdrew from the government. Economic consequence: reorganization of the financial ties between Moscow and the PCF became imperative. France-Navigation was sold. The party's financial affairs were divided into two sections: a covert one headed by Jean Jerome and an overt one headed by Georges Gosnat. The latter served as provisional treasurer until 1954 when he entered the central committee and became full-fledged party treasurer.

Diversification of the PCF's economic affairs quickly revealed a wide gap between the strictly commercial sector--a series of profit-making companies the party was beginning to expand--and the traditionally deficit-plagued propaganda, press, and publications sector.

The treasurer had to keep an eye on both, and even issue warnings to the latter or order it to halt certain activities, if only to retain the confidence of Moscow and its bank.

Pierre Herve, former editor of L'HUMANITE and member of parliament before breaking with the party, has related in detail how, in 1952, he learned of the discontinuance of the weekly newspaper ACTION which appeared to be independent of the PCF but was actually financed by it: "One day, I was summoned to

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central committee headquarters where I learned from Gosnat--the party treasurer--that ACTION would have to cease publication the following week. I tried to discuss the matter, but Gosnat told me he had simply been instructed to ask me for a list of the newspaper's staff so that they could be reassigned if possible. The decision had been made. Although I was the newspaper's editor, I had not even been consulted."

Pierre Dax has told how the Soviets stifled his weekly LES LETTRES FRANCAISES because it had taken the liberty of deviating too frequently from the Soviet line. This concentration of economic power in the hands of Georges Gosnat was complemented by a political promotion: when Maurice Thorez, "the son of the people," died in July 1964, Gosnat succeeded him as member of parliament from Ivry. However, Gosnat is seen less in Ivry than in the Soviet bank where, moreover, his daughter Francoise is employed.

Member of parliament Georges Gosnat, treasurer of the PCF for some 30 years, did his utmost to convince me that the connection between the PCF and the Soviet bank was a very ordinary one. After denying the BNEC had any centralizing role in financing the party, he explained: "I am not saying that this or that company had no relations with the BNEC, but that has nothing to do with the actual financing of the party. As a matter of fact, we have several banks, such as the Societe Generale [General Trust] or the Credit Lyonnais. The party must currently have hundreds of accounts in I don't know how many different banks."

If, indeed, the BCEN "has no centralizing role in financing the party," how is it then that all communist newspapers, all principal party agencies, all party "front" associations and societies, the CGT and most of its unions, mass all their accounts in the Soviet bank and do everything to conceal them? There is no equivalent accumulation of accounts in the Societe Generale or the Credit Lyonnais.

I extracted the following information about the CGT's accounts from the BCEN's books on 26 October 1978: two confederal accounts, 213 rue Lafayette, Paris 10, No 05101-2 and No 08634-9; 45 accounts for publications and propaganda, including: Center for Economic and Social Studies and Research, 10 rue de Vezelay, Paris 8, account No 05008-9; LA VIE OUVRIERE, No 05051-9; L'AVENIR SOCIAL, No 06983-2; L'ECHO DES METALLOS, No 07993-0; Editions Contact, No 07843-7; etc. There were also three accounts for communist groups officially connected with the CGT: Athletic and Gymnastic Federation of Labor, No 5136-8; Tourism and Labor, No 07811-4; Labor and Culture, No 04411-5. A total of 22 national federations had accounts: farmers, lumber and wood products, stone and clay products, railroads, government employees, apparel and headgear, food industries, chemical industries, energy industries, clothing industries, paper industries, glass industries, metallurgy, means of transportation, ports and docks, public health services, SEITA [Commercial Tobacco and Match Manufacturing Agency] employees, theater, underground workers, textile workers, civil servants, etc. There were also accounts for: 28 departmental and local unions and associations; five labor exchanges; 15 inter-union associations, general

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groups, and union sections; 64 national and parent unions; 35 of the largest employee-management committees in France: Renault, SNECMA [National Aircraft Engine Design and Manufacturing Company], Aerospatiale, Dassault, LMT [Telephonic Equipment], Alstom, ABG [expansion unknown], Printemps department stores, etc. Plus accounts for 26 other organizations, etc.

Total deposits: some 50 million francs in over 200 CGT accounts.

In examining the bank's records, I counted the following number of accounts for the PCF proper: 31 newspapers and periodicals; 41 publishing firms, news bureaus, advertising and propaganda offices; 13 figureheads; 55 associations, federations, charitable organizations, unions, and councils; 19 committees, training and propaganda centers; 60 (minimal estimate) commercial firms, printing companies, and bookstores. A grand total for the PCF per se of 219 accounts with net deposits of several tens of millions of francs.

Rapidly glossing over the existence of a "millionaire" BCEN account in his own name but belonging to the PCF for whom he is authorized to sign, Georges Gosnat limited his comment to: "We have several banks...The party must currently have hundreds of accounts in I don't know how many different banks."

Let us carry the logic of that explanation to its ultimate conclusion. Confining ourselves, on 26 October 1978, solely to the account--268 million francs and a few centimes--the PCF has in the Soviet bank in Gosnat's name, and considering that the party has as much money in "hundreds of accounts" in who knows "how many different banks," we must also conclude that the PCF is not merely the richest party in France but also richer than a big multinational company.

The party does, it is true, have deposit accounts almost everywhere in France. But the total sum--a figure Gosnat is careful not to reveal--is in no way comparable to the fortune managed by the BCEN on Boulevard Haussman.

Vladimir Ponomarev rules over this fortune with the assistance of several countrymen, including the directors Viktor Krivoichiv, Vladislav Sudakov, and Sergey Vanine. These are Soviet officials with Boulevard Haussman as their duty station. They are administered as such by the Eurobank's personnel office: on 7 December 1978, that office paid their "inhabited house taxes" in full. For Ponomarev (2,247 francs) and Sudakov (1,213 francs) to the chief treasurer of Neuilly-sur-Seine. For Krivoichiv and Vanine to the chief treasurer of the 16th ward [Paris]. Four apartments provided them by the bank in fashionable neighborhoods. The bank's French personnel are not entitled to similar benefits.

In financing the PCF and its empire, the BCEN--that microfilms all of its books for Moscow's information--definitely has the centralizing role Gosnat is reluctant to admit, an incomprehensible reluctance if the Soviet bank were indeed a bank "like the others."

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Communist press and publishing activities are large BCEN customers. For the past few years, they have experienced insurmountable difficulties. Their costs have exceeded by far their circulation and commercial support capabilities. To mitigate the chronic financial weakness of this propaganda network, the Soviet bank grants it easy and deferred payment terms it would obtain nowhere else and helps keep it artificially alive despite its lack of readers and advertising.

A summary table, prepared as of 1 August 1978, of "customer service transactions" and "current status of accounts of principal customers" shows that L'HUMANITE's deposits--funds in demand and fixed-term accounts--totaled 1,622,000 francs, 1,500,000 francs of which represented a loan from the bank in the form of discounted negotiable instruments.

The CDLP (Center for Press and Book Dissemination) coordinates the activities of the party's publishing firms, services the extensive network of communist bookstores, operates the Book Fair at the Fete de L'HUMANITE [annual 2-day communist fair and carnival in Paris suburbs], and has a monopoly of sales to employee-management committees and 1,813 communist municipalities. The CDLP's "resources" totaled 452,000 francs, but the BCEN gave it 2 million francs in "financial assistance."

The Poissonniere Management Company received 1,229,000 francs in financial assistance. This company manages the real estate of L'HUMANITE and other PCF publications. The Central Advertising Agency (ACP), whose "resources" amounted to 957,000 francs, had received 1,392,000 francs in assistance. The ACP handles all advertising for CGT and PCF organs. The Economic Interest Group for Books and Records (GIELD)--one of the PCF's main commercial enterprises--showed no credit whatever in its account, but the "financial assistance" granted it by the BCEN totaled 1,314,000 francs. Le Livre [Book]-Club Diderot operates on 5,943,000 francs of "financial assistance" while its account shows a credit balance of scarcely 265,000 francs.

Similar imbalances were found in the accounts of CAL (Culture, Arts, and Letters), GELC (Community Publishing and Books Group), Club Messidor, etc.

As its books show, the Soviet bank keeps communist press and publishing firms above water. It stands to reason that the BCEN's Soviet stockholders, whom Guy de Boysson calls "our authorities," would certainly not open such huge lines of credit to press and publishing firms really free to criticize the Soviet regime.

Could this be the reason the treasurer now seems to have abandoned to their sorry fate such slightly rebellious party organs as L'AVANT GARDE and CLARTE?*

*L'AVANT GARDE is the weekly of the Communist Youth Movement of France (MJCF). CLARTE is the theoretical, political, ideological, and cultural review of the Union of Communist Students of France.

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In the "Report of the Customer Services Department Management Committee" dated 21 December 1978 (File SP/HD), I read the following: "AVANT GARDE-CLARTE review (BP). It will be recalled that there are still different attachments on the L'AVANT GARDE account.

"Its management has informed us that arrangements have been made with the different creditors to have the attachment orders cancelled.

"As for the account of the CLARTE review whose account operates under the same signature [as L'AVANT GARDE], let it be noted that we do not deem it appropriate, for the present, to issue a checkbook."

When the communist press changes bankers, we may then begin to believe it is wearing "the colors of France."

The BCEN's books prompt us to feel this change will not occur tomorrow.

In concluding his virtuous statement, Gosnat candidly added: "Besides, the PCF cannot quit the BCEN. Such a decision would be interpreted as a political maneuver." Indeed it would, and not by the French, but by the Soviets. They would view it as a sign of a degree of independence they could not accept.

The French Communist Party does not suggest to its members, sympathizers, and friends that they deposit their dues, contributions, and subscriptions directly in the Soviet bank. That would be too conspicuous. The PCF uses postal checking accounts like the other political parties. But unlike the latter, it uses them only as a screen and a means of transmitting them to a bank that is not French. I positively state, indeed I prove that the PCF "launders" its funds before recycling them. It is the only party that confides its treasury and the secrets of its activity to foreign officials.

What would Georges Marchais--patriotic to the point of being chauvinistic when he feels like it--say if a party of the [parliamentary] majority or the Socialist Party were to hand over its funds and all the details of its operations to agents of the West German Deutschbank or the White House? Because, after all, Vladimir Ponomarev, Viktor Krivochiv, Vladislav Sudakov, and Sergey Vanine are not acting in a private capacity. They have been officially appointed by the Soviet government to supervise and report on what happens in its French bank. As a result, authorities in Moscow quite naturally have a comprehensive, daily, detailed, and exclusive picture of the financial and commercial activities of the PCF and its subsidiaries, labor unions, mass organizations, and fellow travellers.

It was not by chance that I began drafting my report of this investigation on 26 October 1978. A day earlier, the PCF's political bureau had plunged to a new low in effrontery with a very lengthy statement on the financing of political parties. Presented as the "PCF's Answer to Prime Minister Barre," this statement analyzed Valery Giscard d'Estaing's proposal to finance political parties with public funds.

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Alarmed at the prospect of having to prove the "open and above board" nature of its financial operations, the political bureau opposed this proposal on the grounds of "respect for the independence of political parties, independence totally inconsistent with public financing." The political bureau argued: "On the contrary, it is normal for this financing to be the exclusive responsibility of members and supporters of each party and to be placed under their control." Now this is exactly what I am doing. I am placing the secrets of the party's financing under the actual control of PCF members and sympathizers.

The PCF has no legal existence: it has never filed its articles of association as required by the 1901 law on associations. Consequently, it neither possesses nor declares any money or property in its own name. This is the best way of avoiding any audit or check, any possible prosecution, seizure, attachment, or injunction. This is why PCF funds are transferred via private accounts. For example, the accounts of Andre Reau, treasurer of the PCF's Paris Federation.

The PCF "declares itself prepared to submit to examination by a parliamentary fact-finding committee investigating the financial activity of all political parties, a committee whose membership would be proportionate to the votes received by the various parties."

An excellent idea.

Like all banks, the BCEN uses computerized accounting and posting methods. For these data-processing purposes, all individual and legal entities considered and treated as communist are indexed under the code No 18. Included therein in a friendly but systematic mixture are: the French People's Relief, France-USSR Association, Union of French Women, Union of Valiant Men and Women, or individuals like Guy Charpentier who is charged with collecting and depositing the salaries of elected communist officials (members of parliament, municipal governments, etc.) There are a total of 94 accounts indexed under code No 18.

In the BCEN, embassies, diplomatic and related personnel are grouped under No 24. In 1975, there were 324 of these accounts--an absolute record for a bank in France--listed on sheets of a pleasant shade of blue.

The bank has even more diplomatic accounts today because of the steady increase of personnel within the Paris embassies of communist countries. In the list of those accounts, I came across the names of many persons with ties to the intelligence community: Cubans, with the greatest plethora of personnel, Guineans, Russians, Hungarians, Czechoslovaks, Poles, Bulgarians, and Vietnamese --the most prodigal, oddly enough--along with Palestinian, Israeli, Uruguayan, Algerian, and other travelers. Because also moving about within the official communist diplomatic community there are middlemen, brokers, and agents domiciled in Portugal, Liechtenstein, Yemen, Mali, Hong Kong, Tripoli, Rio, Buenos Aires, Kinshasa, Beirut, Tokyo, Salonica, London, Zurich, Basel, Geneva, Jeddah, Bogota, Lagos, the Federal Republic of Germany, Austria, etc.

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Code No 81 is for insurance companies such as the Black Sea and Baltic firm which serves Soviet diplomats.

Code No 15 includes more than 1,300 private persons admitted as such in this Boulevard Hausseman club despite the fact that it claims to be ill-equipped to open accounts for individuals. This list contains intellectuals, artists, and athletes who are communists or communist sympathizers, most of whom assert they are independent of Moscow. Sometimes they have a credit balance, sometimes they are overdrawn. Among these are Andre Wurmser, Rene Andrieu, Laurent Salini, Martine Monod, Antoine Aquaviva, Robert Lambotte, Madeleine Riaud, Pierre Durand, Jean Rabate and others, reports for L'HUMANITE, etc.

A comical note: Jean-Paul Sartre must have forgotten to close his account: He has a credit balance of 628.25 francs. Likewise Roger Garaudy who has a balance of 1.98 francs. Waldeck Rochet, former secretary general and current honorary chairman of the PCF, has 5.25 francs, and his reviler of May 1968, the writer and film director Guy Debord, founder of the "situationist" International and a virulent critic of Soviet bureaucracy, had 9,683.02 francs on 26 October 1978. Debord's account is one-tenth slimmer than Rene Andrieu's with its 108,737.67 francs on 16 October 1978 and 103,052.28 francs--still including 90,000 francs in a savings account--on 25 January 1979.

In the BCEN, rank-and-file members and middle-level communist cadres are conspicuous by their absence. Yet they unwittingly do contribute to the bank's wealth: their modest dues and donations swell the coffers of party organizations that, in turn, hoard them in this bank which is reserved for the aristocrats of the revolution.

CGT unions are dedicated to having their "savings" make money for them in the Soviet bank. These Frenchmen distrust patriotic establishments. Will socialist members of the CGT be pleased or, at least, disturbed to learn that the 32 labor unions and employee-management committees having "well-heeled" savings accounts in the BCEN as of 26 October 1978 included the following: Fraternal Association of Metallurgists, 2,859,000 francs; Workers Committee of the Hispano-Suiza Division of SNECMA, 1,620,000 francs; General Union of Federation of Civil Servants, 4,543,000 francs; National Federation of Railway Workers, 3,800,000 francs, etc.

Total savings of the CGT and its affiliated organizations: approximately 3.1 million francs.

On 16 November 1978, the day before the 40th CGT Congress, the radio news program "Evenements" [Events] broadcast an investigative report by the journalist Francois Gault on "the CGT's Finances." "The CGT had for the first time agreed to open its books." The CGT's treasurer, Ernest Deiz, told Gault that "in 1971 the CGT had 7,300,000 francs, 90 percent of which was deposited in one bank. In 1977, this sum had risen to 21,500,000 francs deposited in equal parts in four banks."

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On 16 October, in the BCEN alone, the single account No 05101-2, of the CGT, 213 Rue Lafayette, had 1,044,488.56 francs on "ordinary demand deposit" plus 9,500,000 francs in "fixed term" deposits (3-months certificates of deposit), in other words, in reserve. If the CGT's money is really "deposited" in equal parts in four banks, then its "liquid assets" between 16 and 26 October 1978 amounted to more than 4 million francs withdrawable at any time plus 38 million francs withdrawable upon maturity: a total of more than 42 million francs.

I challenge the CGT to produce receipts or vouchers proving that on the aforementioned dates it had as much money in three other banks as in the Soviet bank.

Georges Seguy and Henri Krasucki, who are members of the PCF's political bureau in their capacity as CGT officials, conceal from the noncommunist majority of the CGT's 2,300,000 members the financial practices of the communist minority who hold the key leadership positions in the CGT.

Some of the employee-management committees working with the BCEN are guilty of a very serious offense. In violation of the provisions of the law, they are diverting to the benefit of the PCF and CGT the millions of francs entrusted to them. The Soviet bank assists them in thus deviating these funds from their intended purpose. The employee-management committees of some of the largest national firms are involved, the Renault committee and those of companies doing national defense work: Dassault, Aerospatiale, SNECMA, etc. (See "La France communiste," Albin Michel, pp 80-84).

These committees annually receive a variable percentage of the total amount of wages paid. It amounts to 5 percent in the aircraft industry which is powerfully represented in the Soviet bank where their millions ultimately wind up. These wealthy committees are not subject to tax audits. They take advantage of the ignorance of pusillanimous employers and manipulate this money with no concern for the contradiction existing between their profession of faith--"Buy French, invest French, and manufacture French"--and their politico-financial behavior.

The Dassault employee-management committee is currently in difficulty despite its considerable revenue. Yet it has endorsed a loan by the bank to a private individual. Let that company's wage earners draw their own conclusions.

Furthermore, the CGT's Public Utilities Federation has, for its part, endorsed another person's loan. Do the CGT's lowly dues-paying members approve of such obligations? In the case of the Cooperative and Medical Social Welfare Society (OSCM) of Ivry-sur-Seine--a communist municipality and Georges Gosnat's district --the obligations assume substantial proportions. On 2 December 1976, the BCEN granted the OSCM an "initial loan" of 1,238,500 francs.

On 12 October 1978, the management committee of the bank's customer service department reviewed the OSCM's situation: "It will be recalled that in anticipation of the sale of their Ivry buildings--estimated value: approximately 4 million francs--we approved a mortgage loan of 800,000 francs.

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"The chairman of that association appeared before us and informed us that the sale would be completed at any moment (two buyers were seriously interested).

"Meanwhile, the OSCM--having decided to cease all of its activity within the next 12 months, but gradually so as to satisfactorily resolve attendant financial and social problems--asked us to increase our assistance from the initially approved 800,000 francs to 1,100,000 francs to enable it to meet, without default, its 30 September 1978 deadline.

"Following an interview with Mr. de Boysson, we agreed to grant an additional loan of 300,000 francs with the endorsement of the Union of Public Utilities and Public Health Employees, but we informed the OSCM leadership they would have to take all necessary action to ensure their meeting the 10 October deadline."

As devoted as he may be to the cause, Guy de Boysson is, nevertheless, obliged to set certain limits to the Soviet bank's generosity, even if a CGT union as rich as the Union of Public Utilities and Public Health Employees has given its endorsement.

For all these transactions, Messrs. Ponomarev, Krivochev, Sudakov, Vanine and de Boysson follow the advice of a staunch communist, Robert Pirolli. This friend of Georges Gosnat and Georges Marchais whom he assisted in the negotiations on the left's Common Program, is a professor at the Ecole Polytechnique and a certified public accountant. He is also the auditor for the BCEN, the PCF and its commercial firms, including the Parisian Papers Office of the GIFCO [expansion unknown] group. In one of Pirolli's reports submitted to this firm's regular stockholder's meeting, we find confirmation of the PCF's use of CGT funds. In fact, under the heading "Other debts of more than 1 year," are listed substantial loans from the National Federation of Government Workers, National CGT Press Union, National CGT La Chapelle Darblay Union, etc.

Pirolli's report concluded: Our business is booming. Our financial situation is a comfortable one. Our indebtedness is well-balanced..."

Thanks to money from CGT labor unions subsidized by the state and employees, the BCEN is thereby freed from a burden: it finds supporting the PCF already expensive enough.

The CGT, the PCF, and top communist party leaders have saving accounts with the BCEN. Certain communist dignitaries choose the Soviet bank also when they want to borrow money. Such political loans, called "personal loans," have been given to Guy Charpentier, and to Robert Gelly, mayor of Plessis-Robinson and husband of Jacqueline Gelly, a member of the central committee and secretary general of the Union of French Women. These two men seem to have less financial requirements than two higher-ranking borrowers, Laurent Salini of L'HUMANITE and Jacques Denis. The latter is one of Georges Marchais' right-hand men, a member of the PCF central committee since 1961, and a foreign policy expert.

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With such "stiff" debts, it would be surprising if, when the chips are down, they can have any freedom of action where Moscow is concerned.

How do the Soviets go about supervising and monitoring communist organizations and labor unions? Apart from the commercial firms the BCEN already tightly controls, French communists have other means of obtaining funds, such as collections, solidarity drives, and subscriptions. This mass of funds could escape the watchful eyes of the Soviets and constitute pocket money that would give French communists a certain degree of freedom. But these funds are paid into numerous CCP [postal checking accounts] and eventually wind up in the BCEN. After it has been posted and distributed throughout Eurobank's multiple accounts and books, this same money returns, as and when needed, into the same or another CCP.

This "round trip" serves a threefold useful purpose:

1. It enables the Soviets to know the exact amount of money available to the PCF, including its mass and "front" organizations.
2. It permits the PCF to receive sums from sources it cannot acknowledge, sums that are "laundered" by making it appear that they have been "innocently" received through subscription, special collections, and other appeals to the party faithful's generosity.
3. It makes it possible to hide from the millions of Frenchmen who subscribe to party newspapers and respond to CGT and PCF fund appeals that the true depositaries of their donations are the Soviets.

When the PCF's political bureau launched, in moving terms, "a national fund drive in support of the Vietnamese people," it added as a footnote: "Please make donations payable to CCP Georges Gosnat No 63-65-71-F Paris." This same procedure is used for all other fund drives. The PCF has as many CCP's as its needs.

By receiving these funds automatically deposited in the BCEN by Georges Gosnat and his comrades, the Soviets are thus familiar at all times with the ability of the party and the CGT to mobilize the masses. The Soviets are also thereby kept informed of the financial health of the PCF and CGT down to the nearest centime. As an example, one need only refer to the PCF's annual "high mass," La Fete de L'HUMANITE (BCEN accounts No 08602-6 and No 08683-6).

There is no way Georges Marchais can hoodwink Vladimir Ponomarev about the results of that annual operation, or, in general, about the balance sheet of the PCF and everything connected with it. The fact is that the BCEN is more familiar with that balance sheet than Georges Marchais himself.

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FRANCE

BRIEFS

OVERSEAS INTERVENTION CAPABILITY--France is increasing its ability to intervene [militarily] overseas. The forthcoming delivery of some 30 Transall transport aircraft that can be refueled in flight will enable the air force to intervene up to 7,000 kilometers from France. By 1980 France will have an air-portable intercontinental communications system that will put the commander of French forces in action abroad in direct contact with the army operations center under the command of General Mery. The lack of such a communications system was felt during the operations in Chad and Zaire. [Text] [Paris VALEURS ACTUELLES in French 12 Mar 79 p 23]

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