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(FOUO 21/79)

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TRANSLATIONS ON WESTERN EUROPE
(FOUO 21/79)



WEST



EUROPE



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COUNTRY SECTION

INTERNATIONAL AFFAIRS

EMERGENCY MEASURES FOR EUROPEAN STEEL INDUSTRY

Milan IL SOLE-24 ORE in Italian 7, 11, 14, 15 Feb 79

[Article by Eugenio Occorsio]

[7 Feb 79, p 5]

[Text] Paris: The French government yesterday accepted the union proposal to lower the retirement age to 55 for workers in the Nord and Lorraine steel industry. The move -- announced at the close of a meeting between Labor Minister Robert Boulin and union representatives of the sector -- is obviously aimed at easing some of the pain inevitably connected with implementation of the plan to restructure the steel industry drafted by the government, which will involve laying off 25,000 steelworkers over a 2-year period.

The measure, however, does not appear to be sufficient, of itself, to quell agitation among the steelworkers, who have already staged massive demonstrations in the last few days at Longwy in Lorraine and at Denain in the Nord. The unions, which called out all 120,000 of France's steelworkers on a national strike on 16 February, are demanding that the government go back to the drawing board with the entire plan to restructure the steel industry.

Metz: There has not been a break in the mass demonstrations protesting against the job cutbacks which are the most conspicuous aspect of the industrial and financial restructuring plan the French government is proposing as a final solution to the crisis in the steel industry, whose effects have been felt even more keenly in France than in Italy. In 1978, according to early estimates, steel production dropped to 23 million tons as against 27 million in the pre-crisis year 1974.

When you say "steel" in France, you are talking mainly about Lorraine. In the 10 kilometers between Metz and Thionville, with offshoots reaching into Germany and Luxembourg, lies one

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of the heaviest concentrations of steelmills in Europe. The redimensioning operation will be drastic: most of the existing plants are obsolete, and no longer profitable to operate.

The results of this situation and of other factors (first among them the worldwide crisis in the steel markets): in Lorraine there were 52,416 people working in the steelmills in 1966, and now there are 35,802; in another 2 years, there will be only 26,300. Nationwide, the overall job losses from shutdowns and layoffs have amounted to something on the order of 50,000 in just 6 years.

First, though, let's take a careful look at the latest overall plan, which was announced by the government on 10 October after getting the assent only of the most "moderate" of the national union offices, and hence over the open opposition of the left.

The starting point is the 3,700 billion lire loss piled up from 1975 to 1978. The greatest change called for has to do with the capital stock of the three major conglomerates: Usinor, Chiers-Chatillon, and Sacilor, whose output accounts for 90 percent of the national total and is concentrated mainly in Lorraine. Control would pass to the State through the establishment of several holding companies: a number of reductions and increases of capital, and consolidation of some of the debt.

The whole package seems indispensable primarily to halt the spiralling interest charges which constitute an abnormal burden on revenues, as is the case with our own Italsider, in which the interest factor is over 11 percent. In France, that bite will be pared down from 13 to 5 percent.

The indebtedness of French steel companies now runs around 9,400 million francs, the equivalent of 1,900 billion lire. These are the steps the banks will be taking for the financial part of the treatment: 1. conversion of 600 million francs in credits into capital, so as to achieve subscription for 30 percent of the capital for each of the two holding companies; 2. writing off 400 million francs in interest due (that is 80 million francs per year for 5 years on that portion of their credits not converted into capital); 3. a commitment to maintain a line of credit on behalf of the companies at least equal in volume to their current lines.

The measures envisioned for the plan will expire at the end of the 5 years provided for implementation, at which point a public issue of securities will be undertaken, with formulas still undergoing scrutiny. As of now, the two holding companies will issue preferred stock, any dividends from which for the first 5 years will be reinvested, and whose quotation (the value loss to shareholders will be 30 percent, but even before the treatment plan

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their shares had dropped to a third of their nominal value) will be permitted on the Bourse beginning with the 6th year.

As for plant upgrading, the restructuring plan tends to concentrate the French steel industry around three major hubs: Dunkirk (where one of Europe's most modern steel plants was built in 1963), Fos-sur-Mer (near Marseillo), and Metz, where there will be the greatest number of shutdowns, partly in order to lessen the impact of this development hub on the whole industry. Production capacity will be cut back from 31 to 27 million tons per year, and actual production by 1983 will be 25 million tons.

Steel's future in France and elsewhere lies mainly with oxygen-furnace plants, and this is the direction in which it is moving. The Air Liquide Company has built the biggest distribution pipeline system in the world here in Lorraine and in the western part of Belgium, with branches running to Luxembourg, Germany, Holland, and the region around Dunkirk.

Once this colossal treatment, certainly the most daring ever undertaken in France, has been completed and the steel sector has been restored to industrial and financial health, the government is convinced that not only the financial and technological gaps can be closed, but the productivity gap as well, with 150 million tons of steel as against Germany's 190 million and Japan's 327 million tons. Working on it will be men free of the taint of ministerial bureaucracy. The government and the major national banks, called upon to appoint the men who will implement the whole package of measures called for, they are insisting that will not accept the term "nationalization," and vow that all decisions are and will continue to be taken from the market economy approach.

[11 Feb 79, p 11]

[Text] Brussels: In Belgium, as in France, massive government steps are about to be taken to rescue a steel industry plagued by a crisis to which there appear to be no viable market solutions. The problems are the same ones we face at home; an interest load so big as to swallow any profits, a debt burden out of all proportion to assets, and industrial structures sorely in need of repair. And this is the way Belgium, with its fine tradition in the industry, even though the sector has been ailing for a number of years because of the steady depletion of coal and iron ore resources, is planning to deal with them.

The impact of the crisis on the Belgian steel industry has been painfully evident, as shown by these data:

1. The decline in production: 12.6 million tons in 1978, which was 11.5 percent better than in 1977, but 22 percent below the

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"crucial" year 1974 (16 million tons).

2. The operating losses suffered by the big three corporations: in 1977 (much the same situation prevailed in 1978), Cockerill lost 200 billion lire, Hainault-Sambre 73 billion, and Sidmar 30 billion.

3. Productivity per worker has been declining steadily, and it now stands at 212 tons per year, as against Italy's 240 (although the French situation is markedly worse).

4. Labor costs here are the highest in the EEC: 430 francs per hour, or 12,000 lire, as compared with the Italian average of 4,200 and Germany's 1,960.

The broad outlines of the restructuring plan, with particular reference to economic restoration, were approved by the cabinet on 23 November 1978, after 2 years of negotiations among the government, the steel companies, and the unions. We got the whole story from Christian Oury, president of the Belgian Blast Furnace and Steel Plant Group, which is the local equivalent of Italy's Assider. Here, briefly, are the highlights.

a. Conversion of medium- and long-term financial indebtedness to convertible bonds, issued by the corporations and underwritten by the State, with maturity in 5 years. This measure is less radical than the one adopted in France, where the bonds will be immediately converted into stocks by public bank consortia. In exchange for this pledge, here again the State will pick up a portion of the capital equal to 60 percent of shares held by major stockholders (40 percent);

b. a 5-year extension on payments to suppliers;

c. further payroll cutbacks (employment has declined already from 74,000 at the end of 1974 to 50,000 today) totaling 6,000 more jobs over the next 2 years through early retirement at 55 on 70 percent of base pay, full pension to be paid beginning at age 65. The adjustments over past years have been achieved primarily through freezing turnover, except for 1,500 workers affected by a plant closing, who were guaranteed full base pay for the first year, 90 percent base pay for the second, and 80 percent base pay for the third;

d. State participation in refinancing some of the companies. As of now, the government has picked up 35 percent of Cockerill stock and 22 percent of Sidmar's. Boards of directors will have equal numbers of government and private-sector members;

e. The State will guarantee cash-flow requirements in exchange for convertible bonds.

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Clearly, there will be a lot of government activity involved, and putting it all together will be anything but simple. The specific procedures will be established on a case by case basis directly by the companies. The job cutbacks already in the works will, in any case, raise considerable difficulty in reemployment, which is particularly sensitive in the two vital zones of Liège and Charleroi, which were hard hit in the Sixties even before the coal crisis struck, and battered again by the slump in heavy construction. The government has sought to get through the initial problems by making available half a million Belgian francs (around 14 million lire) for every job lost, and through plans to create new ones to replace them as a result of new investments starting as of 1 January 1976. Additionally, for unemployment compensation alone, 154 billion lire have already been paid out. Private shareholders have come up with 280 billion in working capital for new investments in areas other than steel.

[14 Feb 79, p 13]

[Text] Luxembourg: We must not overlook the steel industry in the tiny Grand Duchy: snuggled into the very heart of the great basin that includes the German plants in the Saar, the French mills in Lorraine, and Belgium's Charleroi installations, Luxembourg is anything but a minor factor, for more reasons than one. The historical basis lies in the fact that right here, in the Dudelange area, 18 March 1886 saw the first batch of Thomas type steel (which today is the most in demand and widely used) ever made on the continent of Europe, thus opening up the future for the highly phosphated ore from the Lorraine mines, as well as for Belgian and German coal.

The economic importance of Luxembourg's steel industry stems from the world-wide reach of the Arbed corporation, which has a monopoly on Luxembourg steel. Arbed is one of the biggest corporations in the world steel market, with extensive holdings abroad: French and Brazilian iron mines, coalfields in the Ruhr, an interest in Belgium's Sidmar corporation and in other steel companies in Germany, Austria, Brazil, and Argentina.

In Luxembourg, Arbed and its subsidiaries provide jobs for some 25,000 people (out of 350,000 who make up the total population), but employment levels are steadily dwindling at an alarmingly high percentage, again because of the crisis. Production rose a little in 1978: 4.7 million tons of steel, a 10.5-percent increase over 1974, the last "good" year before the cutoff of the international markets toward which practically all production was directed. Further, all raw materials (iron ore and coke) must be imported from Sweden, America, and France (Lorraine).

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Exposed as no other to the ups and downs of the international situation, the Luxembourg steel industry has been losing money for years, to the point of triggering the restructuring steps already under way, which will certainly have drastic impact on employment. By way of example, the hourly cost of labor in 1977 was 9,561 lire, as compared with 6,535 in Italy, 7,569 in France, 10,120 in Germany, and 11,200 in Belgium.

Part of the government-run plan is a steel cooperation agreement between the governments of Belgium and the Grand Duchy (where steel's share of the economy is by far the largest of the few sectors to be found there). The agreement calls for a concerted effort at streamlining and updating plants, preserving the balance between the two countries' steel industries, and making allowances for European interrelations.

Worth noting is the fact that the Rodange-Athus Mining and Metal Company, an Arbed subsidiary, owns a rolling mill in Belgium at Athus, in addition to its home plant at Rodange.

[15 Feb 79, p 17]

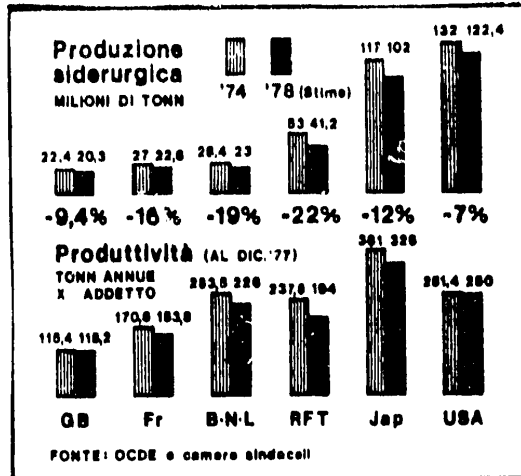
[Text] Brussels: This lengthy journey through the crisis besetting the Community's steel industry and the emergency measures the various governments concerned are contemplating comes to its logical end in a series of meetings at Berlaymont Palace, called for the purpose of getting a global picture of the situation as it affects the Nine. An initial datum to emerge from the information provided by the experts gathered there is not heartening: even though in 1978 there was a slight upturn in world production, here in the EEC we are still woefully below the pre-crisis level (production prior to 1974), and the outlook for the medium term is anything but hopeful.

To grasp the discrepancy between optimum and actual production capacity, one need only recall that the most reliable forecasts of market conditions over the next few years cite 174 million tons as the optimal output for the EEC in 1983, whereas today it stands at 201, with output of 148 million and hence with a mean rate of utilization well below the 85 percent cutoff point for economic viability for plant.

The European steel industry (see chart on output and productivity) will therefore have to pay a very high price to tailor its structures to fit the new requirements of the world market: the general decline in consumption, combined with the growing influence of production by non-Community countries. From such countries comes a never-ending flow of exports to the EEC, which consequently and paradoxically finds itself in the position of importing a lot more steel than it ought, at ever-lower prices

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and in a system of competition which in many cases is anything but proper, even though in very recent years agreements have been reached with three fourths of these countries.



STEEL PRODUCTION
millions of tons

Shaded bars: 1974
Solid bars: Est. 1978

PRODUCTIVITY
annual tons per worker

[RFT = FRG]

Source: OECD and Chambers of organized labor.

This is certainly no new problem, but it is one which nobody so far has managed to solve, despite the setting of minimum prices and guidelines for markets within the Community, and of reference prices for imports from abroad (these prices are the estimate world average prices made public as a basis for determining whether a given price is fair, or constitutes dumping). Now they are trying the planning and quantity control approach, with all the predictable unknowns surrounding it.

Declining consumption, dropping net margins of exports, and excess capacity: because of these three chronic ailments the whole of Europe's steel industry, but most particularly that in the weaker EEC countries, stands in absolute need of drastic and urgent measures to restore its industrial and financial health. The subject inevitably leads us home to Italy, and to Italsider in particular, where the deficits are still piling up because of the impossibility of recovering the tremendous sums laid out on pre-crisis investments (in 1973 and 1974 alone the peak effort was made, in view of rising trends on the market). Debt service costs alone reached 500 billion per year, and only the planned increase in capital from 1,179 to 1,800 billion will make it possible to make at least a partial improvement of the amount of ready capital in relation to investments and indebtedness (4,000 billion).

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Even so, from the point of view of plant, the Finsider group need envy nobody. The substantially up-to-date structure of its plant makes Finsider stronger than would appear from its balance-sheet: the complete-cycle plants (Bagnoli, Taranto, Genoa, and Piombino) are all on the sea, and this cuts down on their supply shipment costs, and the solid charge plants (Terni, Dalmine, Lovere, and Campi) are also close to the raw materials (scrap) collection centers and to their markets.

One "structural" exception is the Bagnoli plant. The EEC Commission knows full well that this is one of the very few "plague-spots" in Italian steelmaking on the technical efficiency score. That would require very costly restructuring investments, called for both under the final program for the steel industry within the provisions of the Italian industrial reconversion act, and under the proposed regulations for aid to the sector filed some time ago with the Brussels Council (but as yet not acted upon).

Going back to the whole group of Italsider and Finsider companies, it is worth remembering, as we learned in detail in earlier instalments of this article, that the situation is every bit as serious, particularly in Belgium, France, and Luxembourg, countries in which massive government intervention has already begun to lighten the load of interest costs and to assure capacity to move ahead with reconversion investments, without bankruptcy breathing down their necks, by means of adequate recapitalization.

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COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

FEDERAL OFFICE FOR PROTECTION OF CONSTITUTION CRITICIZED

Hamburg STERN in German 8 Feb 79 pp 68-74

Postal, Electronic Surveillance

[Text] Section VII in the Federal Office for the Protection of the Constitution is actually supposed to find terrorists. But instead of solid facts, it is providing solid scandals, bureaucratic idling and embarrassing disappointments. DER STERN reveals how the "lazy bones" work.

Letters for the Munich attorney Juergen Arnold, 35, were suddenly delivered to the wrong addresses. Some of his private mail went to his office, and sometimes business letters arrived at his home. Arnold wrote to the responsible district post office 40 and asked for an explanation. The post office knew nothing: "Unfortunately, in spite of all efforts, we have not succeeded in discovering the conditions that led to the fact that some letters addressed to your home were sent to your office."

The information was false. For at that time--it was August, 1975--the lawyer's telephone was being tapped by order of the Federal Office for Protection of the Constitution (BfV), and his mail was being opened. And in the process, some postal official had often thrown all the letters that had been returned from being opened into a bundle and shipped them off in the basket for only one delivery district.

The reason for the investigation was that Arnold is a leftist. He defended a member of the terrorist "Second of June Movement," represented the Trikont Publishing House after the spectacular confiscation of the Bommi Baumann book, "Wie alles anfang" [How It All Began], and was the lawyer for a female bank robber from the Munich anarchist milieu. Arnold's "mistake" was that he took the side of his clients. "I did not identify with them--but I am of the opinion that they must also be treated justly."

Since the constitutional protection authorities, in spite of wire taps, mail openings and continual observation, could not find any proof for their suspicion that "Arnold was a central figure in anarchical terrorism (constitutional protection dossier) in the Munich area and in part beyond it,"

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the federal office in Cologne pushed for sharper measures. BFV President Richard Meier wanted conversations in the lawyer's office to be monitored with a bug as well. His colleagues in the "Bavarian State Office for Protection of the Constitution" (BLfV) received under the official symbol L VIII _ 086 - S - 182 588 ("Operation Fork" [Gabel]) permission to spy on Arnold.

This was not at all easy BLfV President Dr Hans Ziegler wrote to Meier concerning this matter: "Here we have always proceeded from the idea that, for a listening effort possibly to be effective, we would have to succeed in obtaining neighboring rooms in the house. After we tried to do this but failed, we considered the operation to be impossible. The considerably greater risks of an operation from outside are unanimously recognized and have been discussed by everyone."

Ziegler was right. Arnold's room located in a communal office on the Hohenzollern-Strasse in Schwabing, on the ground floor, with the cellar below, yard behind, colleagues right and left, and a young team of designers above. A break-in (Ziegler politely: "Operation from outside") was something Ziegler did not want to risk: "The value of such an action here as in similar situations is not considered to be worth the risk."

Meier reacted furiously: "I cannot express my agreement with this answer from the BLfV. While our judgment contains several indications of meetings in A's office, the letter only repeats unfounded views of the P(resident) of the BLfV."

Meier was in a mood to bug. After all, he had just given the green light for "Operation Winzer" [Operation Winegrower] in which the lawyers Haag, Becker and Croissant were to be bugged--and approved the break-in into the house of nuclear physicist Klaus Traube ("Operation Muell") [Operation Rubbish]. To soothe him, Ziegler offered: "The BLfV will soon suggest an object with a less problematic listening operation which can be executed as a test. Preparations for this are underway."

There is no evidence against Arnold that could justify the planned listening operation and tricks which are still being played today. The lawyer attracted attention because he was embarrassing; he was tricked, for example with house searches ("We are looking for explosives"), and learned years ago about an investigation procedure against him. Even today he does not know why it was made or continues. When larger terrorist acts occur, he is always visited by two officials of the Land Criminal Department who demand an alibi from him for the time in question. He is on the list for the observational search "Befe 7" and is often detained for hours at the border when he travels abroad. He bears it with composure and believes: "If it were not a constitutional government, I could not be a lawyer here. In the GDR or in Chile I would certainly not be one."

The bug has become the heraldic animal of the Second German Republic: begging is done during break-ins, even "as a test" (could anyone have been

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caught in this manner?), and walls are bugged (Ex-Minister of the Interior Werner Maihofer: "We do not do that!").

STERN (No 12/1977: "Constitutional Protector X") knows of cases in Hamburg in which the Constitutional Protection Office has rented hotel rooms next to suspicious persons and put bugs into holes bored into the walls. And if now and then in this service a bugging is refused, the reservations are certainly not of a legal nature. An example: In the early summer of 1976, Senior Police Officer Wilhelm Kneuck, 48, from the BfV decided, in a case which he was handling, to bug a place. He made a written request, but his superior, Governmental Advisor Ast, refused for "technical" reasons: it was known from the "Muell" case (listening operation against the nuclear physicist Dr Klaus Traube) that the apparatus did not work. Kneuck was mad.

This process is typical for Department VII, in which Kneuck works. Nowhere else is this seemingly "extreme means" (Maihofer) used so frivolously as there. The legendary statement of one-time Minister of the Interior Hermann Hoehnerl that his constitutional protectors "could not continually run around with the constitution under their arms," has now taken on quite a new interpretation: The "Soldiers of Department Seven," so it seems, do not know the constitution at all. It is not surprising that in a federal bureaucracy so full of affairs, Department VII is already the one with the most affairs.

It was founded in 1973 by the then president of the BfV, Guenther Nollau, because there was no group capable of keeping watch over terrorist cells. Fighting terrorists was something new. The beginnings of the bombings had simply been ignored by Department II (leftist extremism) which was responsible at the time. The usual methods which were used, for example, against a party such as the German Communist Party, were almost useless against terrorists groups: acquiring and inserting spies who worked sometimes for a lot of money.

For reasons of secrecy, the new department was not placed in the large head office on Barthelstrasse in Cologne, but in an office building on Widdersdorfer Strasse in Cologne. In a building in which they had rented two floors for 35,000 marks a month. "Project Duke [Herzog]" as it was called internally, was disguised as a "Federal Accounting Office." Originally, Department VII was to have been housed in the Federal Automobile Inspection [TUeV] highrise in Cologne-Muelheim. In 1976, the whole department had to retreat to Barthelstrasse. But this move cost something more than half a million marks. The reason given by a commission of the federal ministry was that "Project Duke" had been placed on a much too active street. The real reason: a bar fight had become public in which four officials of Department VII, among them a senior official with karate training, had been beaten up by a bully.

For the first chief of the terrorist fighters, Nollau got Operations Chief Hans-Juergen Wiehe from the State Office for Constitutional Protection in Hanover. Wiehe, a former journalist, was considered to be one of the cleverest and most capable "operators" who had worked his way up without university study to become the leading governmental director. But the

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capable Wiehe soon lost his appetite for the new job and went back to Hanover. First of all, the promise was not kept of promoting him to "Director in Constitutional Protection" (senior civil servant). In the second place, the buildup of the department was not working as well as had been promised, but was rather being choked in the bureaucracy. The necessary financial and personnel decisions took months to come from the Ministry of the Interior.

There was a lot of elbowing. Many of those who had volunteered were eager for rapid careers and interesting tasks about which the people in the Interior Ministry could only dream at their desks. In the operational area there were business trips, telephone and car privileges, and expenses as well as the monthly operational pay of 185 marks, called "dirt pay"-- quite a bit of money for a senior government inspector with a salary of 1,579 marks.

Nollau's successor, Richard Meier, also had more trouble than he wanted with the "Seven." There was the case of the agent recruiter, Hubert Klemptner, from the Operations Department. In October of 1975 he had recruited an informant and drunk two glasses of wine with him. Later he drank another glass in a hotel in which Gudrun Ensslin was supposed to have spent the night 3 years before. And as chance would have it: on the trip to the hotel, Klemptner was checked by the police. His blood contained 0.835 per thousand. The police were lenient, but the punishment in his office was draconian. As a disciplinary action he was transferred to office work, and his coming promotion was postponed for a year. Klemptner was the photographer who took the beautiful color pictures during the break-in in Traube's house.

The Seven did not become the effective striking force that had been desired, but rather went its bureaucratic way just as stubbornly as all the others. A good example of this is the working out of an "observation." On 1 August 1975, a baron* from Cologne called up the federal office and reported on something that he considered to be "suspicious." He had seen a Renault 4 that had parked near the Eichholz estate (near Cologne) on the side of the street. Several cars had pulled up at intervals. On the other side of the street there was also a police patrol. The baron had noticed the number of the R 4 and reported it to the constitutional protectors.

The call ended up in Section I 1 (Principle Questions). The reviewer, Kind, a lawyer, passed the observation farther to the directors of Sections VII (Terrorism), VI (Extremist Foreigners), IV (Counterintelligence) and III (Leftist Extremist). Section Chief Heinrich Degenhard (III) wrote a little "Obs.?" on the note (Observation?), while the others wrote nothing. In the meantime the process had gone on for a day in the office. Now it wandered into Section VII, where the group leader, Dr Karkowsky, added: "Determine the age." A week after the telephone call an evaluator makes the results of his research known:

*The editors know the name.

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--The caller was not listed in the telephone book (in the Evaluation Office there was only an old telephone book. The baron was in the new one.)

--The owner of the R 4 was a 45-year old man from Bornheim-Merten, about whom no further information had been stored.

No one really knows what he should do about the situation. Most of the readers sign without a date--something they have learned from long experience. Whoever shows publicly how long the paperwork has been on his desk just gets unnecessary trouble for himself. In order to at least do something, one worker suggests "carefully carding" the R-4 owner.

For the man from Bornheim, this means that since he was noticed by a baron, but since there is no evidence against him, his name gets into the large files of the constitutional protectors. It is still there today. All in all, 17 officials took part in this, many twice. With ten denunciations like this, one could put whole sections of the Constitutional Protection Office out of commission.

With the Seven's lack of success, pressure came from outside. The pedestrian lawyers in the Federal Ministry of the Interior always eye everything that is new with mistrust. In the Federal Criminal Police Bureau [BKA] in Wiesbaden no one knew exactly why constitutional protectors should now be out after terrorists. And in the governmental area, some politicians were not happy about the fact that a "political" body should now be looking for people who were still designated officially as "ordinary criminals." BfV President Meier then--after 2 years of nothing--had to make a decision: to shut up or to get new, better people. But since he is an ambitious man and would have liked very much to brag about successes in the fight against terrorists, he decided to try his luck again with new people. From Wiesbaden he got Governmental Director Klaus Gruenewald, SPD, as Section Leader (discharged at the beginning of February 1979--the new chief of the "Seven" is now Friedrich Walter). From Section II (Rightest Extremists) he got the Director of Evaluation, Christian Hofmann (FDP), called "Krischan."

The leading governmental director, who was 61 at the time, was an experienced evaluator who had already entered the BfV in 1951. He had worked for years in counterintelligence and later as a teacher at the Constitutional Protection School in Cologne. Meier had only obtained Hofmann with a heavy heart, because the old civil servant was considered to be difficult and stubborn. When Section VII decided to break into the house of Klaus Traube, the nuclear physicist, ("Operation Muell"), Hofmann refused the operation "for reasons of intelligence as well as for legal reasons." The result: Hofmann, although he was responsible as the group leader for all operations, never saw the "Muell" papers again.

Hofmann's confession unmasks, to be sure, the assurances of the minister of the interior of the time, Maihofer, to be untrue. It had been the "unanimous opinion of all offices involved," that the bug in this "extremely dangerous situation...had been necessary," according to Maihofer. The fact is, however,

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that along with Hofmann, another important official warned about operation "Muell;" the Deputy Section Leader of VII and "Group Leader of Evaluation," Friedrich Walter. The "unusual procedure" (Hofmann) was even controversial in the certainly less prudish Federal Office--new light on the constitutional awareness of the minister of the interior of the time.

Hofmann's deputy in the "operations" group was one of the main actors in the Traube operation: Governmental Director Guido Korte, 42, (cover name Rombach). The lawyer came from the Interior Ministry in Bonn to the Federal office in Cologne, not out of inclination, but "because my wife intended at the time to do something in Cologne." Korte was the official who dealt with the managers of Traube's employer, Siemens, and had made the decisive notes according to which Traube "could gain access to radioactive and fissionable materials, among which were the highly poisonous plutonium...(and)...large amounts of the reactor coolant, sodium, that, together with oxygen, produces an explosive with the highest explosive effect."

Nothing was correct in this, as a statement of the Siemens subsidiary, Interatom, shows: "Dr Traube could...not plan or commit any act of terrorism against atomic power plants...The experiments breeder KNK in Karlsruhe was... out of commission. There was also nothing to be gotten there, nothing to sabotage, nothing to blow up. On the premises of our firm there...only 20 grams of plutonium oxide..., all welded airtightly in refined steel-covered pipes. The material is kept in a fire- and thief-proof vault which none of the three managers can approach alone, but each one only with the simultaneous presence of two officials from the Duesseldorf Labor Department." Concerning the sodium claim of the Constitutional Protection Office, Interatom said: "That is completely beyond the question...A fire occurring in this manner would not even be as dangerous as a gasoline fire." It should not be forgotten that Operation "Muell" (Maihofer: Danger for the Community, extra legal state of emergency) is still being justified by the "access" of Dr Traube to radioactive material.

Korte's exaggerations are, to be sure, not personal slips, but are rather typical for the pressure for success under which the members of this department stand. No one else in the house, therefore, makes such frequent and unscrupulous use of postal and telephonic surveillance. Competitive thinking came along with the pressure for success.

Since they definitely want to catch a terrorist for once, they do not allow their colleagues from the BKA--if they can help it--to look into the documents. When Traube made a date in the summer of 1975 with some friends for a vacation on the Yugoslavian island of Corcula, the constitutional protectors left him alone in spite of the order for observation, rather than requesting assistance from place to place. This was naturally not because of friendliness but because they were afraid that other places could snatch the "unusual case" away from them. Minister Maihofer, according to a report from the Department of the Interior, had been "indignant" about this behavior. And BKA Chief, Herold, wrote a furious letter to his minister of the interior: "In the BKA, surveillance should have been accomplished on the island of Corcula from 8 March 75, in this case by way of Interpol."

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The Deputy Chief of the BfV, Hans Bardenhewer (CDU) wrote a mild letter of explanation to Maihofer--and in the process pointed straight toward the next competency ruckus: the BKA could not be informed at this early point because "another case...would burden the cooperation with the state offices for constitutional protection which take competency limitations very seriously."

Who would be surprised that these offices do not accomplish anything with the terrorists. Terrorists comply neither with the manner of operation nor with the competency limitation of our constitutional protectors. During the search for the kidnaped Employers' President, Hanns Martin Schleyer, the Seven again were noticed by their colleagues in the other security offices. For lack of their own information, they got information from police headquarters in Cologne, dressed it up a bit, and sent it as their own information by telegraph to the Schleyer special commission. And the criminal police in Cologne are still laughing today about the observer from the Seven who made himself so conspicuous that criminal police officials arrested him.

The VII experienced a high point when Section Leader Klaus Gruenewald decided to track down the super-terrorist, "Carlos." If Carlos had known how the Cologne BfV started out to catch him--he would hardly have been able to light another fuse, he would have laughed so much.

The operation was called "Hai" [Shark] and began when an Arab came to the German Embassy in Algiers with the sensational report that he knew the hiding place of the much-sought Venezuelan.

Section Leader Gruenewald, who received the telegram by mistake on his desk, sent the senior governmental inspector, Lothar Dahlke, to Algiers. He had no idea of field operations for he was an evaluator in the office, and highly near-sighted to boot, but he was the only one of 100 people who could at least speak good French. Dahlke rented a room in an exclusive hotel that was just opposite the alleged Carlos hideout, and stared day and night through his special field glass. For 3 weeks he called up his superior, Gruenewald, and reported: "Shark not sighted yet."

In the hotel, Dahlke soon attracted attention because as a tourist in beautiful Algiers he was only interested in one thing: the house across the street. The Algerian secret service (trained by the Ministry for State Security of the GDR) listened from the beginning and became suspicious because of the coded sentences. They then fed Mr Dahlke false information and chased him through half the city.

His telephone calls with Cologne became longer and more important until, after 6 weeks, the Algerian Secret Service wanted to know directly from him what he was actually doing there. This was a tip for the man from Cologne to leave at once.

He flew back to the Rhine, wrote a long final report "z. d. A." (pigeonholed)--as everything that is locked up never to be seen again is called. There was still trouble with the travel costs. The fussy administrators wanted to know to the Pfennig why the adventure had cost 9,500 marks, not counting money for tips.

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Use of Informants

Hamburg STERN in German 16 Feb 79 pp 59-65

[Text] How the terrorist searchers from the Cologne Constitutional Protection Office hire spies, work with them, and what sort of things they want to learn in this way--about Heinrich Boell and old ladies, female social workers and STERN.

Businessman Karl Milewsky,* 30, was in trouble. After his divorce he had begun to drink, his bills gradually became unmanageable for him, and he had to pay child support for two small children. But he had no work. At night he slept in a men's lodging house on Weserstrasse in Frankfurt. Then he read in the FRANKFURTER RUNDSCHAU an advertisement of the city "Frankfurt Organization for Social Homes:" "Social workers needed." He applied.

A short time later, two men visited him in the lodging house; they neither introduced nor identified themselves. They took him to the "Europa" cafe on Kaiserstrasse. "This already seemed strange to me, for people in the city administration do not take people to a cafe." The two unknown men offered him the job with the city if he would also do something "for the good of the republic." In this way he would also earn a few more marks. The offer was tempting. He was to receive 1,860 marks gross as a social helper, and as a "Fellow Worker of the State" he was to receive another 900 marks.

Milewsky could live in a boarding house immediately. There was only one catch in the deal. There was always someone from the Constitutional Protection Office there, while he ate, while he drank--and everything was paid. "Do you still have cigarettes? Shall I get some for you?"

A few days later he was introduced to a new contact man, a young, thin man, somewhat pale, who called himself simply "Henner." What Milewsky did not know was that it was senior police court officer Hermann, agent runner of Department VII in the Federal Office for the Protection of the Constitution in Cologne. Milewsky, at every time of the day and night, could call him up either at his secret private number 0 22 73/81 17 or directly at the Federal Office for Protection of the Constitution at the numbers 51 76 06 or 51 21 57.

"Here is Christoph with h." This code brought a connection with "Henner," who then usually made appointments with him in large Frankfurt bars with many customers. Money was of no consequence here. "We always ate for around 100 to 150 marks." "Henner" played his part very well. "My God, he drank. I like to take a drink myself, but that guy..."

*The right name is known by the editors.

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At the beginning, "Henner" even brought a "psychologist" to the meetings, an older gentleman with a bald head who squeezed Milewsky like a lemon: "He even wanted to know what position I liked best in sexual intercourse."

"I Got Money for It, and I Was Finally Doing All Right Again."

The new agent now received 400 marks a month cash directly; 500 marks were paid by the Constitutional Protection Office into the bank account of Milewsky's divorced wife, for her support.

Milewsky, the fallen one, the ex-convict, was now completely in the hands of the Constitutional Protection Office. He was beholden to them for money and a job. To be sure: he had to spy on his colleagues at his place of work. "Henner" was above all interested in the female social worker, Birgit Schillen, 36, a working member of the organization for assistance to prisoners, "Amnesty International." She had taken two citizens of Chile into her apartment and it was his job to find out what kind of people they were.

Milewsky also delivered dossiers on the other colleagues. "Henner" was always highly interested in the question of whether one would hide terrorists that visited. A "suspicious" social pedagog was even tested: a young man was sent to him in the office who claimed he was sought because of occupation of a house and asked if he could spend the night with him. The social worker let the man sleep in his office in the Old Folks' Home--the overnight guest was not a leftist house occupant, but an informer from the Constitutional Protection.

The agent of the secret service did not spend much time thinking about what he was doing. He was only interested in one thing: "I got money for it, and I was finally doing all right again." For this reason he spied on another leftist Frankfurt group that has as much to do with terrorism as the state secretary of the Federal Ministry of the Interior of the time, Andreas von Schoeler, had. For he also belonged to the "Humanistic Union" (HU) which was to be checked out by Milewsky.

Among others, the Constitutional Protection Office was interested in the 72-year-old former secondary school teacher, Dr Ilse Kunz, member of the HU. Milewsky came to her with a touching story that he always told when he wanted to establish contact anywhere: "I have just come out of prison, have no money and do not know what I should do." This line always had an appeal to the leftists. Dr Kunz, too invited the supposedly starving man in right away and gave him 50 marks.

Milewsky was supposed to stay in contact with the old lady and ask her about her political views. Constitutional Protection wanted to know from Doctor Kunz, who had been one of Ulrike Meinhof's teachers in the 1950s, whether she would give terrorists refuge. Milewsky's stories from the leftist scene were well paid for by his agent runner Hermann: "He was generous in every way. I got payments from him that I did not have to justify."

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For 2 1/2 months Milewsky delivered eagerly--then something strange happened: the treasury at his place of work was suddenly robbed; 5,000 marks were missing. Who could it have been? Naturally a convicted felon. An order was made for Milewsky's arrest. He went underground and called his "Henner" in desperation. He advised him: "Do not do anything at first. Do not go to the police; we will meet again. I will take care of it." They met in Hanau Castle in Philipphof and calculated: for keeping his ears open for 2 1/2 months, Milewsky got about 4,500 marks with expenses. "Henner" gave him an airplane ticket; he was to fly to Berlin, go underground there, and receive new assignments. But Milewsky had had enough of the Constitutional Protection Office. He drove back to Frankfurt. For some months he heard nothing from "Henner," until he suddenly stood before the door again and threatened: "You can go to prison at any time; there is enough evidence against you."

Milewsky was convinced and went underground as a wanted criminal. He was supposed to try to spend the night in the leftist bars "Batschkapp" and "Elfmeter." They would "often hide someone from the police." He was to keep his ears open in the "Club Voltaire," a traditional meeting place of Frankfurt leftists, and above all he was to listen to lawyers who drank their beer there. Milewsky went around with 293 marks of social help and thought only: "Damned shit, you are living off them again."

"You Can Have As Much Expense Money as You Want"

So he went to the "Communist Union of West Germany" (KBW) as a wanted criminal, cursed the city and the state--and soon was allowed to stay. His job was to spy on the system of cameras and lighting effects with which the KBW had secured its headquarters in Frankfurt.

When Milewsky had to go to jail again for another old reason, he soon received a visitor. "Henner" advised him to have the leftist lawyer, Ole Brinkmann, represent him--and to spy on him at the same time. Brinkmann is a member of the "Humanistic Union." When he finally got out of jail again, Milewsky wanted finally to put an end to the spying; at least 10 times he repalled attempts from "Henner" to set him to work again. After he had again sat out a short prison stretch, he found a place to stay near Fulda--but soon thereafter the owner knew where Milewsky came from. It was easy to guess who told on him: "Henner" was around again. Milewsky: "They tore up my room because they wanted to have me again." Milewsky was hired for the third time. "Do you want to do something in Cologne?" Milewsky did not want to, but as always he needed money and he had a dismissal letter in his pocket. His new target was explained to him for half a day: the "Socialist Self-help in Cologne" (SSK). This organization takes care of fallen people of all kinds and participates in a local newspaper, which duly annoys all the public offices, the KOELNER VOLKSBLATT.

This time the job was more difficult, for Milewsky was not only to listen but also to become active himself: "You can have as much expense money as

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you want. Just see to it that you get a lot of people drinking. Make the people do a lot of drinking and whoring so that there will be a lot going on." Milewsky could soon report success: "A group of from six to eight people had been living it up; the women were going in and out. A call-- and I had money again."

And things happened in the SSK as the Constitutional Protection Office had hoped. There was trouble. SSK member, Lothar Gothe, 35, remembers: "I never experienced such debauchery here in 10 years." Milewsky: "'Henner' found Boell's activities in the SSK highly interesting." Heinrich Boell had given the group a house and was sometimes a guest at their general meetings. Milewsky was now supposed to report whether Boell gave the SSK people money, when he comes and what he says. Heinrich Boell, and object of terrorist search?

STERN, too, was on the desired list of the constitutional protectors. Since the editors had also received information from the SSK on an article about private earnings of physicians on the public payroll, Milewsky was supposed to ask: "What did STERN pay for it?" A search for terrorists?

Anarchists Lured According to the Fly-Catching Method

At some time or another the trouble grew to such proportions in the SSK that Milewsky was kicked out and refused admission to the house. "Henner" immediately had another job for him: "Drive to Frankfurt and find out about Golzem." Golzem is a lawyer who defends leftists. But now Milewsky finally had had enough: "Of course it is wonderful when one can drink and whore as much as one wants at someone else's cost, but one always gets hit afterwards. They mess everything up for you in order to keep you in their grasp. I want to warn everyone who lets himself in for something like this."

It is scandalous to see what information the terrorist searchers want to obtain, and it is just as bad to see the dirty methods they use to keep informants dependent upon them. Can this be what the then Constitutional Protection Agency president, Guenther Nollau, was thinking of when he proposed to his Minister of the Interior Hans-Dietrich Genscher in May of 1972, that he "slip secret confidence men into the ranks of the terrorists?"

Was Milewsky perhaps the "new type of agent," that the first Director of Department VII (Terrorism), Hans-Juergen Wiehe, had described? This was supposed to be the future agent who had to dig his way for years into the center of violent political criminals. Young academicians were to be recruited for this purpose, if possible, reserve officers, people with education and national consciousness. But Wiehe's top agent remained what he was: a dream wish from the spy textbook.

Another high official of Department VII, Personnel Director Christian ("Krischan") Hofmann, once hit on the plan of using young border officials

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as undercover agents. They were to go to villages and found country communes in order to lure anarchists according to the fly-catching method. A crazy idea that only had one interesting aspect: how little a federal German terrorist searcher knows about the situation.

"Armed Combat Will Be Part of It, Too"

If they cannot plant a spy with money and/or blackmail, it looks bad for the constitutional protectors: then they must contact the leftists themselves. And nothing frightens them more, for they know well that they are much too badly educated to do this. Their knowledge is not sufficient for substantive discussions with leftists--a reason why the agent recruits fail again and again.

The case of Senior Government Inspector Ringer shows how such a disappointment looks in detail. The young, ambitious official came 16 years ago from the Federal Border Guard to the Federal Office for Constitutional Protection (BfV), where he learned the job from the bottom up. First he was a street observer in an observation group. Then he "took care of" spies from radical foreign organizations--he was an agent runner in Department VI, which was responsible for this. When the terrorist department was founded, Ringer was soon there as "diligent and ready to take the initiative" because he anticipated a more rapid advancement with the "Seven."

Last year he received the assignment of finding out about the 23-year old student, Martin Mai,* from Luebeck. The Constitutional Protection Office in Schleswig-Holstein believed that Mai was at odds with his friends from the Luebeck "prison group"--and a quarrel is, according to old secret service experience, always good: Mai was to be won as a spy against his old friends. Ringer made an appointment by telephone to meet Mai in the "Motel Zur Lohmuehle." He said he was "Wolfgang from Frankfurt," and that he was trying to make contact with radical leftists: "We intend to create an organizational framework so that common progress can be made. Armed combat will be part of it, too." Back in his office, Ringer made a complete report on Mai. His judgment: "Not very well-versed in politics, can be used, probably can be recruited."

But in the meantime, the student had begun to have doubts. What "Wolfgang from Frankfurt" had told him about "armed combat" seemed too unusual to him and to the "prison group." They decided to test their strange comrade at the next meeting. When Ringer contacted Mai again after some weeks, the "prison group" was well-prepared for the man from Cologne. They were expecting a man in his middle thirties, about 1.75 meters tall, with dark blond full beard, long hair, jeans and a sportshirt. Promptly at 1600 Mai and Ringer met in a bar in Luebeck--under the table a tape recorder was secretly running.

*The editors know the real name.

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"I feel completely bowled over by you"

Ringer soon got caught in traps; he was not prepared for a substantial discussion. Finally he gave up. Here is an extract from the tape recording of the sad ending:

Mai: "What have you been doing up to now, anyway?"

Ringer:, alias "Wolfgang:" "Well, I am a very retiring person. This has to do with my professional activity. I was once employed by QUICK, and I was fired."

Mai: "Then you don't do much. What do you do? Or don't you do anything?"

Ringer: Remains silent.

Mai: "You have said what you want from us. We have said what we are interested in. You have to answer that."

Ringer: "Well, I was not prepared for this. I feel completely bowled over by you."

How could Ringer have prepared for this? He had never learned anything like that. When Mai then accused him openly of being from the Office of Constitutional Protection, he fled from the bar. But in front of the door a dozen angry leftists were waiting for him. They took pictures of him and insulted him. Ringer's colleagues from the Kiel Constitutional Protection Office, who were supposed to provide security for the meeting fled for fear of being similarly unmasked.

The Notebook With Secret Telephone Numbers Captured

The "Prison Group" even captured the constitutional protector's notebook with many names and secret telephone numbers. In Cologne there was a big stink because of it: "Grossly careless." Ringer was placed in a desk job, put away his leftist clothing, wore suits from the BfV special deliverer Weingarten (10 percent reduction), cut his hair short and put on a tie again.

In his place there now sits an official who up to a few years ago was still selling tickets with the Federal Railways and was afraid of losing his job there because of automation. Department Leader Klaus Gruenewald fought tooth and nail against the one-time railroad worker: "The man does not understand anything about the business." But Personnel Chief Christoph Gruenig (CSU), who decides in a very authoritarian manner who will be transferred where and why decided: "Then he will just have to learn--the man has been ready for promotion for a long time now. I am happy to have finally found a position for him."

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Lack of Security

Hamburg STERN in German 22 Feb 79 pp 63-65

[Text] Minister of the Interior Maihofer was indignant. It seemed to the highest civil servant of the constitutional protectors that the publication of the Traube papers in DER SPIEGEL might also be uncomfortable for him. Therefore he desperately needed guilty people. He sought in vain to obtain the Federal Cabinet's approval to prosecute the SPIEGEL. Twice this was refused, although Minister Justice Hans-Jochen Vogel gave him powerful support.

Angrily, Maihofer limited investigations to his own area. At the beginning of March, 1977, he established an investigatory commission that was to find out how the secret papers could have been revealed. Here Maihofer gave the starting signal for a punishment expedition that was without precedent. Laws were broken to get proof--DIE ZEIT wrote: It is "the story of governmental thoughtlessness that borders on the criminal..., where those participating were obviously only interested in removing unwanted people from the department."

It was shocking what the Maihofer Commission, under the direction of Ministerial Director Kroppenstedt, learned from chemically prepared questionnaires, wire tapping, reports from informers, and subtle interrogations. A member of the commission, Governmental Director Treger, summarized the result of the first "administrative inquiries" after 2 weeks: It has been proved that far more than 50 people had had the paperwork of Operation "Muell"--the break-in into Traube's house was prepared within the department under this code name--in their hands, 13 signatures were not identified, and many people, who must have seen the documents, had not signed. Besides this, control of the paperwork "seemed at first glance to be very faulty." Thus it was, for example, difficult to ascertain where further copies could be found. It was certain that the search for the leak promised to be exciting.

One morning, about 20 officials of Department V (Security Department) suddenly secured the corridors of Department VII in the Federal Office for Protection of the Constitution (BfV), took over the shredders so that no one could destroy damaging material, even guarded the toilets so that nothing secret could be flushed away, and posted guards outside so that no one could leave the side building, in which the "Seven" were housed, without being seen. By 1200 every official had to list in detail what papers he had in his desk or safe. All persons who had to do with the "Muell" papers now received prepared questionnaires that they had to answer within a week. "Each questionnaire and each letter," according to a private dossier, "was changed minutely in text," in order, in the case of a publication of these papers, "to determine from which member of the BfV they came."--Again nothing happened.

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The result of the first written question: 94 members of the Constitutional Protection Office already had knowledge of "Operation Muell" before its publication--many more than could have been estimated according to the location of the papers. Shocked, the commission conducted a second questionnaire in which the answer sheets were prepared chemically in such a way that the fingerprints of the senders could be determined. Besides this, the telephones of the constitutional protectors in question were tapped by Report V/M (Security Service). Again nothing.

Secret Papers in Open Safes

In looking through the pile of papers designated "086-S-182 363 (Operation Muell)" the official investigators were relieved to find that DER SPIEGEL had only had access to from one-sixth to one-seventh of the total action. Thus some "interesting and essential details...were not evaluated," including the "Requests for information" to several state offices of constitutional protection. But the officials were not quite happy in their further search in the BfV. For when they put the administration of Department VII under the magnifying glass, they discovered: "The course of the paperwork cannot be determined completely...from the index cards," because "papers had been received or given out without entry on the index card." As far as the entries which were made were concerned, they were "partially incomplete or incorrect." In plain English: More people than had been thought at first were in the position to see the top-secret papers, to lend them out or to copy them.

In addition it was discovered that the files stood in such a way "that the members of Department VII could approach them unobserved." Thus the safes "were not locked during working hours, and at least in some cases the doors were open. The files in two rooms stood open for everyone." When all those responsible for the papers were busy at the rear of both rooms, then "it could have happened often that the open safes in the first room were completely unguarded." The cabinet in which the "Muell" papers lay, stood in the first room--and not only that: It stood directly next to the door to the corridor."

Director of Documentary Administration in Department VII, Senior Government Secretary Hans Burger, 42, said that the flow of papers within his section "could not be directed or controlled" by him, because "there was a constant coming and going" in the paperwork security room. No wonder: Only two specialists had the job of answering thousands of "regulatory questions" about candidates for public service. In this confusion, according to the overworked Burger, it would have been possible for "every member of Department VII to have removed these papers and copied them without a control." The photocopier stood two doors down the hall on the same floor in the canteen.

About 280 Constitutional Protectors Could Have Known About "Muell"

Governmental Inspector Hubert Klemptner found that "photocopies were often made without sufficient control... In the process, there was not even an

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accurate record of which photocopies were made or how many copies. In my opinion, it was possible up to the time of the (Traube) publications, to copy papers (concerning Operation Muell) without any notice being taken." Since the drawers were too small, some of the documents could not be kept in the safes, but were stored in the transport boxes from the last move.

The commission members learned from a constitutional protector how carelessly the Traube case had been handled: Since the doors of the colleagues across the hall were always open, he knew what was going on in Overath-Marialinden, Am Troetenberg 2, where Traube lived. Shocked, the commission also discovered that the secret operators in Cologne had made a mistake in "Operation Muell" that contradicts every secret service practice: The "operative" documents were stored together with the documents of the evaluation. Normally the evaluators of all secret services never get to see the operational methods of their colleagues, the "Collectors." The documents for the latter always stay in their own safes; only information necessary for the further prosecution of the case is sent forward. In the "Traube" case it was a pure mistake to put the documents on the break-in and the surveillance together with the total report.

The commission summarized the event: "When one thinks that every member of Department VII could get to the case..., one realizes that about 280 members could have had knowledge of or access to the whole "Muell" case.

The work of the commission was, to be sure, only bureaucratic eyewash, for the BfV believed it had long ago unmasked the "guilty ones": the journalist, Hans Georg Faust, and the official, Karl Dirnhofer, evaluator in Department VII. Faust had been smeared by a "secret tip" that he had offered the "Muell" documents "already in the fall of 1976." In the arrest order against him it said: "Faust first told Second German Television programmer Lowenthal..., who, however, refused to use the material."

Nothing of this was true, but strangely: There is no information available on Gerhard Loewenthal as to whether he did anything against this obviously false assertion of the Federal Court. It was thought that Faust has also earlier given secret documents to DER SPIEGEL. This supposedly came from "secret tips and other knowledge." In plain English: Faust and DER SPIEGEL had been placed under surveillance before by wire tapping and spies.

The official, Karl Dirnhofer, was soon regarded as "suspicious," since he could not explain in an inquiry why he had taken out the "Muell" documents that he was to work on in the beginning of September, 1976. To be sure: whoever wants to secretly remove documents and copy them, does not fill out the forms correctly, but does it in such a manner as the commission had also discovered: roundabout and without asking anyone--no one notices it anyway.

Additional Illegal Information About the Suspect

Eleven people were at first regarded by the commission as suspect; later there were only eight, but within the office Dirnhofer was always considered

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to be the guilty one. The "Commission Report" states: "Finally, additional information was available to the BFV on the basis of its intelligence measures." In plain English: The telephones had long been tapped. Illegally, as was later determined by the Court of Appeal in Cologne. The wire tap specialist of Section V/M 4 (Security Service), Senior Governmental Councilor Kasperreit, wanted the voice of the official on the telephone known. An opinion of the "Physical-Technical Federal Institution" in Braunschweig was, however, negative: the voice could not definitely be identified.

But the statements of Dirnhofers "colleagues" were still damaging him. To be sure, not one knew anything damaging, but some of them went on the attack without being asked before government attorneys and criminal officials--indicative of the climate in the department. Governmental Councilor Claus Ahrend said about Dirnhofers, with whom he had served earlier in Department III (Leftist Extremism): "He gave me the impression of a confused fanatic." Ahrend is the official who put together the controversial snoop list of leftist publications for the Border Guards. Ahrend was also that official who, after the putsch in Chile, separated "acceptable" refugees at the German embassy in Santiago and who wrote a derogatory report on the work of the leftist bishop, Frenz.

Employee Adalbert Buechau: "I only know Dirnhofers as a dissatisfied complainer who always attacked others and who used the most original curse words."

At first, General Federal Attorney Rebmann made a preliminary finding against Faust and Dirnhofers of "sabotage against the constitution" (Paragraph 88, Criminal Code). This high carat paragraph, which had never been used in the history of the Federal Republic, gave the inquiry officials total freedom: They tapped the suspects' wires, opened their mail, observed them round the clock. Both were arrested. Office Councilor Dirnhofers sat in the investigatory prison in Bonn under terroristic conditions in the previous Guillaume cell, which, as with the GDR spy, was constantly bugged.

After a successful constitutional grievance, the federal attorneys had to give up the case, because the appeals court had decided that an inquiry could not be made according to paragraph 88. Faust and Dirnhofers were then prosecuted for violation of the secrecy paragraph, 353, a comparably mild rule which does not allow wire tapping and opening mail.

Consequently, the Bonn Land Court stopped the case against the two men. Evidence had been obtained in an illegal manner and could therefore not be used. The government attorneys appealed, and the final decision was made by the state supreme court in Cologne: The journalist, Faust, could not be prosecuted further, but the official, Dirnhofers, could, on the other hand, just because he was an official.

This case will begin on 9 April before the Bonn Land Court. The mere fact that it is taking place is a scandal, and the next scandal is that up to

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now no public prosecutor and no politician has ever worried about this Constitutional Protection Office that, on the pretence of looking for terrorists, taps wires and spies whenever it pleases. And then gathers documents and "knowledge." On God and DIE WELT and its publisher, Axel Springer. There is a thick file on him in which, God knows, there is much that has nothing to do with the bedroom researchers from Cologne. Herr Baum, you take over!

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COUNTRY SECTION

FRANCE

'NEW OPPOSITION' WITHIN PCF DESCRIBED, DISCUSSED

Paris LE NOUVEL OBSERVATEUR in French 12 Mar 79 p 43

[Article by Bernard Guetta: the Contenders of the 23rd Congress"]

[Text] Eight weeks after the 23rd congress, far from returning to the ranks or turning in their cards, the Communist contenders are making themselves heard with enough force and assurance to begin to constitute a genuine internal opposition--which is unprecedented in the long history of crises in the PCF. An opposition that has continued to grow since the collapse of the left's hopes in March 1978.

Last weekend a hundred or so contenders held a colloquy in Bordeaux. This week others are organizing a "forum-debate" at the university of Villeteuse, on the theme "Is There a Crisis of Marxism?", with the participation of a member of the economic commission of the central committee, a member of the confederal bureau of the CGT [General Confederation of Labor] and also socialist militants like Patrick Viveret, or Trotskyites like Henri Weber. A third debate--on the history of the PCF--is to take place soon, with Charles Tillon as guest of honor. This Monday the first issue of a new weekly, MAINTENANT, is coming out; the contenders occupy a prominent place in its editing. In the Seuil Editions, Antoine Spire, long-time manager of the PCF's publishing house, Social Editions, is taking the leadership--as Gerard Molina and Yves Vargas have just done at Maspero--of a new collection entirely devoted to "communists at large." All of them, right up to the most moderate, are affirming that at every one of their cell meetings they confirm the existence of a "profound political malaise" which permeates Party ranks and would assure their critics at least a potential audience.

Today, however, the contenders are looking anything but pleased. Not even the telegrams by which Gaston Plissonnier, a member of the political bureau, announced to Antoine Spire and Jean Rony the publication in L'HUMANITE of 9 March of their very critical contributions to the congress debates was enough to cheer them up. This is because, though newly born, the Communist opposition is shaken by so many contradictions and polemics to be followed that the meeting it is to hold this Saturday in Paris might well establish the break that it had previously avoided with difficulty on 24 February, at the time of an earlier meeting organized by the Althusserian group.

*Jean Rony recently published an article in LE MONDE strenuously criticizing the PCF's positions on Europe.

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On that day it was just a question, in the minds of the members of the group (among whom were Etienne Balibar, Gerard Molina, Yves Vargas and France Vernier), of putting in place a group "for reflection and research on countries reputedly engaged in building socialism." To mark well the limits of their project, they had taken the precaution of informing the secretariat of the central committee of their initiative. Invitations had not been sent to just anyone and Jean Elleinstein, the symbol of absolute insubordination and suspected of "preparing for his own rally in the PSF [French Socialist Party]," had not received one. In short, it was just a question of turning over several ideas on a theoretical problem, but certainly not of organizing an opposition.

But then when this meeting opens on 24 February there are--in a room in which over 100 persons are crowded together--at the side of the Althusserians, members of the opposition known as "leftist", in favor of democratizing the Party (but also of returning to strict Marxist-Leninist orthodoxy), members of the opposition known as "rightists", quite determined to draw a bow on Leninism. And also "Gramscians" and "leftist Eurocommunists." And chiefly, many bewildered rank-and-file members, ready to leave the Party for lack of success in making themselves heard and knowing where they are; they had joined with the Socialists to make the left win, and now they are being told that the Socialists are the principal enemy. They were Communists because--deviations, Gulags, psychiatric hospitals or not--communism was nevertheless a future of human harmony, and here communism is Cambodian genocide--which was not denounced by the PCF until the moment when it needed to approve the Vietnamese invasion--, then the war between China and Vietnam, and tomorrow, perhaps, a war between China and the USSR.

Contrary to the Althusserians, who want--both from prudence with respect to the leadership and respect for democratic centralism--to remain very moderate, those rank-and-file members want to "throw themselves into the heap", to shout aloud and without tactical concern that the opposition exists and that it will fight with all available means to make itself heard. When Yves Vargas, who is presiding, states, "We are not here to prepare for the 23rd congress, nor to form a group," he is just putting a match to the gunpowder. "Maybe; but your initiative will inevitably lead you to create a splinter group," retorts Alexandre Adler, one of the co-authors of "The USSR and Ourselves", who has come for the sole purpose, he will explain, of warning the Althusserians. "You haven't the courage of your logic," answer Helene Parmelin, Marcel Drach and several others, who are hoping that the opposition will no longer be content to exist, even in abundance, but that it will find the means "to offer an alternative, a reason to continue to militate, for all those in the Party who are ready to renounce it." A heavy task, obviously, on the definition of which all those who would have decided to undertake it are far from being in agreement. For five hours the tension will do nothing but mount, and unanimity will only be realized on one point: the new appointment for this Saturday.

But that appointment, which should bring together still more people, was very actively prepared for, as much by the "go-to-war" people as by the Althusserians, who had clarified things on 24 February by saying, "Those who

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have been unable to organize the group of their dreams want us to do it in their place. We will not walk into that operation."

The "three common denominators" acknowledged by all the contenders--a "consistent" anti-Stalinism; the conviction that their Party bears at least a share of the responsibility for the rupture in the Union of the Left; and the desire to invent "new forms of political militantism"--are strong enough that the opposition will not keep quiet for some time. Will they be enough to prevent a break in the Party? "Not very likely," the opponents admit. And intolerant avengers? "Especially not that!" they say, all of them.

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COUNTRY SECTION

FRANCE

LABOR MINISTER BOULIN INTERVIEWED, DEFENDS POLICY

Paris PARIS MATCH in French 16 March 79 pp 48-49

[Interview with Labor Minister Robert Boulin by Liliane Gallifet: "I Do Not Know Why Chirac Does This. I See No Way Out."]

[Text] Question: Instead of the announced relief, we have in recent months been witnessing a regular, worrisome and intolerable rise in unemployment. What is happening?

Answer: I never announced that there would be any relief. I always indicated--and Mr. Barre did so likewise--that the recovery of the French economy, in other words, the creation of jobs, requires patient and stubborn efforts and Mr. Barre gave himself a deadline of 3 years. The Germans, who embarked upon this recovery effort before we did, gave themselves 4 years and after that time had passed, they barely began to see the first results.

Question: Do you not have the impression, Mr. Minister, that everytime this subject is taken up, people keep putting the target date off because the results have not yet materialized?

Answer: Not at all. I maintain that I have always indicated that it would not be possible to come up with a visible response to employment problems before the second half of 1979. The measures taken to provide jobs for young people, part-time work, the reform of the National Employment Agency, the reform of UNEDIC [expansion unknown], the alternating training program for young people, which is supposed to come out in April, and other elements which will be operational as of October 1979 and, in some cases, as of the beginning of 1980. Job problems unfortunately will be with us this year. And I am afraid that they will get worse as petroleum prices go up. The enterprises will have to make additional efforts. It will also be necessary to launch sector revival efforts, that is to say, to provide encouragement of a financial or budgetary character for activities that will not require energy or raw materials in large volumes and where government aid can support the economy. That in any case is my personal opinion.

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"I Believe In Selective Recovery"

Question: You explained those measures several months ago. In other words, there is no new plan now in view of what is going on?

Answer: Yes, so far I had not been talking in terms of selective recovery. There is a whole keyboard which we have to play as required. Job problems are tied to the economy as a whole. When you manufacture commodities, it is not enough to stockpile them on the station platforms. You have to find export or domestic outlets. The solutions are those which I have just mentioned and they respond to the structural phenomena. I do not know anybody, neither in the opposition, nor in the majority, who gave me any other valid responses. Neither my fellow labor ministers in the Community, nor the finance ministers of the OECD, almost all of whom I questioned on this issue. And that includes a lot of people.

Question: In your opinion, are the proposals of the left--hiring in public utilities and recovery through consumption--just good enough to chuck out?

Answer: Consumption revival means that you are going to have many new unemployed because the balance of payments will be upset, the franc will lose ground quickly and, consequently, we are going to have to pay more for energy and raw materials. The problem of excess enterprise costs will then come up. We would not be exporting any more and we would have between 300,000 and 500,000 more unemployed during the year.

For the past 50 years France has experienced increasing economic difficulties. We compensated for them by injecting money into the economy, either through the budget or by simply creating money. Since we were operating under a system of fixed parity, we devalued our currency time and again and that worked very well. The Keynesian response was perfectly valid for decades. But it is no longer. Because, today, we are in a system of floating parity and devaluation therefore takes more away from us.

As far as public service jobs are concerned, they will not create any wealth to be distributed to the French; these are not investments but budget expenditures. How dare the Socialist Party claim that we should create public jobs while being indignant over the budget deficit? One cannot be so incoherent except when one is in the opposition. The answer to unemployment is investment and competitiveness on the markets. The rest is nothing but a smokescreen.

"Perhaps We Are Too Late"

Question: You talk about investments; that is a part of the proposals made by Jacques Chirac. And now you don't like his solutions anymore?

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Answer: To say that investments are necessary for a country in order to give it increased production capacity is correct. Let us recall some facts. In 1978, close to F10 billion were made available to all businesses and that consequently enabled them to invest. Mr. Barre tried very hard to permit the enterprises to accumulate in-house funds by holding salary increases down. Finally, the "Monory operations" involved F3.5 billion in stock purchases on the exchange and helped enterprises gain access to the money market. One can hardly do more unless one wishes to devote an even greater portion of treasury funds to investments. If that is what the people want, then let them say so! Reducing social expenditures is very good but, to get to that point, you have to reduce social benefits, you have to extend the retirement age, you have to reduce the small risk in the matter of illness, and you have to drop the hospital allowance. But who would propose a program like that?

Question: Up to what point would you refuse to change your policy? Until your head is on the block?

Answer: No, but that is a question you should put to Mr. Helmut Schmidt, Mr. Callaghan, the Italian Prime Minister, the Dutch Prime Minister, and the Danish Prime Minister. Perhaps even Mr. Carter. This is a global problem. We are in the midst of an international crisis. In 1929, nobody pointed a finger at the French premier to tell him: "It is you who are responsible for the crisis."

Question: We nevertheless do get the impression that the administration is just waffling.

Answer: You are dead wrong. The administration comes up with the only responses it can come up with. But these are not spectacular responses.

Question: Nor do they produce results.

Answer: Yes, indeed! The economy will begin to recover the moment we have results. I hope that this will be by the end of the year; yes, I do think it will be the end of the year; the number of job seekers will not increase any further. But if the price of petroleum is tripled, what do you want me to do?

Question: Do you not think that the administration has been rather awkward in presenting its plan on the steel industry?

Answer: It is true that the Germans eliminated 30,000 jobs without causing any noise or any violence. But this is because they established permanent coordination between the steel industry as such and the unions a long time ago and we in France do not have enough of that. This is why I was assigned the mission on 6 February to receive the labor unions and to get together with them and see if negotiations were possible, be they economic or social. Perhaps we came too late.

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Question: Is it true that the number of immigrant workers keeps going up in spite of measures taken, such as "help in getting them to go home?"

Answer: There have not been many departures--several thousand. I am thinking of reviving the idea of voluntary returns by proposing to the foreign laborers that we pay them 90 percent assistance to be paid out just once. I am going to discuss that with the labor unions.

Question: This is a little bit what the Germans did.

Answer: No! Here is what they said: The work permit is hereby withdrawn as of tomorrow--and 500,000 workers had to leave. We cannot do this sort of thing.

Question: Some people suggested that a study be conducted on a European scale concerning the creation of real national workshops to employ the unemployed, such as they have them in the overseas departments. What do you think about that?

Answer: I have just come back from Guadeloupe where everyone was unanimous in condemning the national workshops which are a real disaster and which I would like to replace with a system of unemployment assistance adapted to those countries. The national workshops would only serve to conceal the employment difficulties. Luxembourg has been successful in this to a certain degree because it had 90 percent of the foreign laborers there who were assigned to such jobs as landscaping and painting. Are you going to get the steel workers in the North to do landscaping work or road repair?

Question: And what about civic [national] service for the young--the sort of thing that would be equivalent to cooperation, but in the home country?

Answer: Why not 5 years of military service? These are all patchwork solutions! The problem of the young people is the problem of vocational training and adaptation to jobs offered. The paradox of France is that we have unemployed and large numbers of enterprise managers, particularly in the crafts sector, who cannot find the qualified workers they need. I would like to remind you that, out of 650,000 young people who arrive on the labor market every year, 250,000 have no degrees. None at all. Only alternate training would remedy this situation.

Question: You announced on several occasions that you would like to combat phony unemployed, the registration of women for unemployment who want to benefit from social advantages without really working, as well as the moonlighters. What about that?

Answer: Right now, the reform of UNEDIC, which regulates all of these problems, is being fully discussed. The social partners hope to arrive

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at an agreement on 16 March. This will be an effective and extremely important reform which will take effect as of October.

"Let Him Overthrow the Government!"

Question: As time goes on, the situation keeps getting worse in several regions and several sectors. Are you not afraid of an even worse deterioration during the weeks to come?

Answer: I hope not, because violence does not help the worries of the unemployed any.

Question: Do you believe, like Mr. Barre, that political elements keep agitation going?

Answer: I sincerely think that, as the premier said, the labor union organizations are trying very hard in this matter to defend the interests of the workers--according to their own concept--and they will try to avoid excesses. It is true that this kind of situation presents temptation to trouble makers whom unfortunately we always have in countries such as ours.

Question: As part of the work preparatory to the 8th Plan, the INSEE [National Institute of Statistics and Economic Studies] estimates that there will be 1.7 million job seekers, approximately, in 1983. Do these forecasts correspond to your estimates?

Answer: It has also been said that we were going to have 17 million Frenchmen by the year 2100. Who can predict what will happen in 1983? If energy problems were better mastered, if the United States and Germany were to resume growing, then we would not have 1.7 million job seekers.

Question: Do you believe that the creation of a commission on employment, as demanded by Jacques Chirac is helpful?

Answer: I am ready to make pounds of documents available to the members of parliament on employment problems which are perfectly well known; but I do not see why this should be a subject for a special investigating committee. You set up committees on specific subjects--but not on employment.

Question: Why, in your opinion, did Jacques Chirac demand that?

Answer: I just don't know. If Chirac thinks that the members of parliament should be better informed on the employment situation, he is correct; but that could wait until 2 April.

Question: The RPR [Rally for the Republic] deputies have bitterly criticized the administration's policy. What do you think about their attitude?

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Answer: I told my friends during the parliamentary meeting in Guadeloupe that I find it entirely normal that a group as important as the RPR should have the right to criticize. But it must be up to the high level of the event; it must move into a phase of coherent proposals rather than allow itself to come out with primary reflexes on this subject. I am not saying this in a polemical spirit. I know that, when one is a deputy, when one has things going, demonstrations in front of one's city hall--then one has such reflexes. I only hope that my friends will be constructive. When Michel Dabre says that it is necessary to reduce the budget deficit, I would like to know what expenditure items he proposes to cut from the budget. With the current increase, which comes to around 3 percent, if it is not sustained by a controlled budget deficit--which by the way would not involve printing more money--how are we then going to sustain the economy? We would drop to a growth rate of less than 2 percent and we would have 2 million people looking for jobs!

Question: Some of the RPR deputies demanded that the RPR ministers pull out of the administration. What would you tell them in reply?

Answer: That is the language of the Third Republic, when the political parties issued injunctions against the prime minister and threatened him to pull all of their ministers out of the administration. The Assembly system killed the Third and Fourth republics. This system is finished. We would spontaneously leave the government if our Gaullist sensitivity were hurt by decisions that are not in keeping with the principles which we advocate. But we will not quit the government on the basis of injunctions from a party. I refuse to go back to the Fourth Republic.

Question: People keep wondering how you can feel comfortable in this party which everyday criticizes what you are doing.

Answer: We shall see but it is necessary for this party now to move into a phase of coherent and positive criticism. Or it would have to overthrow the administration. It has to know what it wants. For the time being, here is what my voters tell me: "We do not understand any of that Parisian bickering."

"Look at That Left"

Question: Is majority cohesion in bad shape?

Answer: Yes, but that depends on what it is supposed to do? When one pursues a different policy, you have to know what you want to accomplish. I repeat that the only alternative is to oust the administration and call for elections. I certainly would not assume responsibility for that because I am afraid that this would only plunge France into chaos in view of a disunited left incapable of governing. Just look at that left in the face of the steel industry crisis; there you have a leader of one of the biggest political formations whose name is Mr. Mitterrand who goes to the North

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and Lorraine and then tells us: "Here is my plan"--and he reproduces the Ferry Plan, word for word, which is a plan for the failure of the French steel industry. And he adds one supplementary measure: Pay the workers for 40 hours but have them work only 35 hours. This means that he would be guaranteeing the instantaneous liquidation of the French steel industry. When a political leader gets to that point, it means that he is no longer capable of assuming his governmental responsibilities. That is all and I am carefully weighing my words here: With that left, no alternative is possible.

Question: So, what is Jacques Chirac's game? Why is he doing all that?

Answer: I do not know. At any rate, I see no way out. When I left the UNR (Union for the New Republic) in 1974, for a few months, I wrote that, before getting trapped in a deadend street, one must make sure that this will not lead to a deadlock. This question could also be put to Mr. Chirac. "Are you caught in a deadend street? Did you make sure that there is a door at the end?" I am talking of a door in terms of the national interest, naturally, not in terms of the personal interests.

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COUNTRY SECTION

FRANCE

CFDT'S MAIRE INTERVIEWED ON NATIONAL LABOR PICTURE

Paris PARIS MATCH in French 16 Mar 79 pp 54-55

[Interview with French Democratic Confederation of Labor leader Edmond Maire by Mark Ullman: "The People's Anger is Beginning to Worry Me"]

[Text] Question: Let us not talk shop; let us talk about France. What is your diagnosis for the economy and for employment?'

Answer: Everybody is pessimistic about jobs, including Mr. Jacques Chirac who seeks to exploit social discontent to benefit his own personal ambitions.

Question: Why are you going after Mr. Chirac, rather than Mr. Mitterrand or Mr. Marchais, who also demanded that parliament be called into session?

Answer: The CFDT [French Democratic Confederation of Labor] has no allegiance to any political party and we are not going to refrain from criticizing any of them either. But this has gone far enough! Do you not think it shocking that Mr. Chirac is trying--through a purely tactical strategem--to get everybody to forget that his party permanently guaranteed the implementation of Barre's policy through its votes in parliament? And then, beyond some more or less strong epithets, he proposes no alternative to the employment policy. Worse than that, when it comes to refusing a reduction of working hours and encouraging business profits for an uncontrolled revival of investments, he uses the same language as Mr. Barre. We will not allow ourselves to be diverted from the course of labor union action by this kind of political efforts.

Negotiate, If Not ...

Question: What is it you are blaming Mr. Barre for right now?

Answer: I find that his therapy has not been successful. We have had a restoration of the balance of foreign trade and a very slight decline in inflation. But even this was achieved at the price of a definite slowdown in wage increases. In all other areas it has failed. Never has

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unemployment been as high as this. Never has the situation of the French economy, as compared to Western economy, been as weak. Where did Barre fail? Planning, restraints on the manufacturer. He sacrificed jobs, he sacrificed the regions, it seems, for the sake of modernization. And what do we have now? Not a modernization of structures but, on the one hand, industries which are in trouble and, on the other hand, so-called daydreams which somehow always get away from us. I will tell you this quite sincerely: Mr. Barre has failed. He wanted to restore the economy on the backs of the wage earners. The wage earners paid but the future is not guaranteed.

Question: When Mr. Barre came to power, we were heading straight for catastrophe. We were still living in an economy where everything was based on expansion with ease and devaluation.

Answer: It is true that lack of preparation for the future is not something that came up just today but that is just one more reason for putting an end to this. When you lay workers off in the name of a so-called industrial transformation, you must, at least, make sure that these workers will have a clear picture of the kinds of jobs they could expect in the future. But that is not the case due to lack of planning. The workers who were laid off turn up among our liabilities. They are in distress and confused. Some of them have sacrificed their lives in the service of sectors which are now proclaimed to be no longer profitable but nobody tells them even what kind of retraining they might look for. Don't be astonished if they are angry. The 1978 election campaign caused social discontent to be diverted toward political battle. Today, this is no longer so. We can detect the first signs of a real mass action aimed directly at a motionless, unchanged and unalterable Barre policy. I will tell you this: If this policy does not go into negotiations, it will be swept away.

...Everything Can Come Down

Question: In your opinion, does the recent conference between the labor unions and industry minister Giraud, on the subject of the steel industry, constitute a step forward?

Answer: A very tiny step. The labor unions went to see Mr. Giraud to present their views about the future of the steel industry and the steel industry basin. They did not find a conversation partner ready to look into his industrial policy together with them. For the people out in the field, people who with their own eyes can see their factory closed down, the reaction could only be negative. Certain incidents did take place and the despair of a population group here or there took on the form of violent actions against property or person. The CFDT is against such gestures because they always entail the risk of backfiring against their authors and they do not promote mass actions that are broadly supported by the population. But one must also realize what the local steel industry manufacturers associations mean to the workers of the North and Lorraine.

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For decades, they have been the symbol of a feudal fight of domination, a constant refusal to talk. When the Metallurgical Industry Union today takes the pretext of these incidents to break off negotiations started with the labor unions, I can only say this: This is your responsible and provocative behavior. We arrived at the tense situation we have today because the forge owners, with the complicity of the government, for many years acted like bosses by divine right. In view of this situation, we certainly will not overlook the negotiation possibilities offered by Mr. Giraud. We simply say this: The perspective offered, no matter how small it may be, must not be expressed by a simple displacement of the problem. We must have concrete, appreciable, and fast results.

Question: The tensions you talk about are specific to certain jobs and certain regions. Do you think that there is a risk of contagion?

Answer: The real anger of the masses is still somewhat restricted. You have the hill country of Lorraine which is shaking up the entire region; Valenciennes-Denain, shaking up the North; Nantes and Loire-Atlantique; St. Etienne and the Loire; Marseille and Bouches-du-Rhone; you have some signs of this sort of thing at La Rochelle, at Boulogne, at Dieppe, and in other places. In the rest of the country, the situation is uncertain. But it is true that the idea is beginning to take shape that the point at which some of the regions are is the point where all of the others will soon wind up. I am not telling you that all of France is in a state of mobilization but I am saying to you that we are at the start of a basic change in the social climate and that the general balance can tilt.

Question: If the situation is as you describe it, do you not think that it would be better to put safety valves in those places where the pressure is strongest, that is to say, in the distressed regions, rather than challenge an entire policy?

Answer: We are not against the idea of seeking original solutions in certain critical zones but we must distrust palliatives whose repercussions we cannot always measure. At any rate, we do have negotiations to be conducted on the national level.

Question: Are you thinking in terms of reducing working hours?

Answer: Let us take this example. The CFTD has just decided that a reduction in working hours henceforth is its priority for the months to come. The objective is to move toward a 35-hour week. But, of course, we must take realities into account: For example, the situation is not the same in highway transportation and in education. Nevertheless, I do not believe that negotiations can be limited to the regions that are experiencing a crisis. It would be absurd to propose a massive reduction in working hours for all professions in Lorraine and for none of them in Champagne-Ardenne.

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Against Nationalism

Question: What do you propose?

Answer: We will not restore full employment without profound changes in our way of life and in our society; but there are emergency measures that must be taken. As I said before, I am thinking here in terms of reducing the weekly working hours with a prospect of getting to 35 hours but we must also think of the creation of a fifth team for each work station and a ban on supplementary [overtime] hours or, more specifically, their obligatory payment. This last measure--to which one would have to add the creation of jobs in the public services and in the local services that are available to the public--would create many jobs because the volume of overtime hours is enormous. When Mr. Barre replies that these measures cannot constitute solutions to the employment problem, he bases himself on a rather specious line of argumentation which we are quite familiar with, the kind where they say: Your demand is not acceptable because it would presuppose fundamental structural changes. On the one hand, this is wrong. On the other hand, it simply boils down to admitting the existence of a blocked society in which workers in trouble have no prospect other than unemployment and submission. Between the talk about "French democracy" and the actions of the Giscardians, there is a vast abyss.

Question: If you create jobs in the local communities, you would have to anticipate an increase in local taxes, that is to say, a new distribution of public money among the three "voracious ones," in other words, the national government budget, the social security budget, and the budget of the local communities. Would you be in favor, for example, of reducing social security expenditures in order to increase local taxes which could create jobs?

Answer: Some modifications in the distribution of social benefits are undoubtedly negotiable but, generally speaking, we are not in favor of reducing rights which we intend to safeguard and to advance. To improve local finances, one could call for new revenues. I would like to note that, when he came to power, Mr. Barre said: "I will attack inequalities and privileges!" In reality, he did nothing of the sort. The very limitation of the political majority, on which Giscard and Barre base themselves, prevent a real reform of the national treasury and a reduction in the wage scales and revenues. Without waiting for socialism or fundamental structural changes, I say now that we could--and we should--as of this moment create a tax on big wealth and tax high incomes more heavily. I am saying that an increase in low wages would revive consumption and that a reduction in the hierarchy would at the same time be a factor in social justice and in the modernization of France. Do not forget that the entire spectrum of incomes is much broader in France than in other European countries.

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Question: Since you brought up Europe, let us talk about it. Do you believe that the struggle for employment must be conducted on the level of the Common Market? Do you believe that labor union demands must be coordinated so that French enterprises will not be penalized when it comes to competition?

Answer: I believe first of all that the European dimension is useful and that all European labor unions should support the 35-hour week; but I am not saying that all solutions must be European solutions. You never make social progress in that way. You have progress in some sectors which then is picked up by others. As a matter of fact, I am for Europe, not only because the coordination of demands seems desirable to me but also because I am afraid, as far as France is concerned, that we might withdraw into ourselves. Poujadist, demagogic, simplistic theories can still have a hold on the population. This is precisely why we recently reacted rather vigorously to the nationalist slogans that cropped up here or there.

For A New Mendes

Question: Do you think that there is a real danger that we might see Europe, in general, and Germany, in particular, serve as scapegoats?

Answer: I believe that the remarks by Mr. Debre and Mr. Chirac have a rather dangerous background and I was struck by the simplistic and the vehement tone of some of the communist proposals. A few weeks ago, you were able to see a front-page headline in L'HUMANITE: "No to the European Superhighway." Well, when you read that article, you realize that this European superhighway was A-87 which runs around Paris. The reasoning employed by L'HUMANITE was that this highway was designed to serve the interest of the German or Belgian leading strata, in order to make it easier for them to get around Paris! When you get to that degree of stupidity, when any pretext will serve to oppose your neighbor--that is indeed cause for worry.

Question: How should we counteract that?

Answer: First of all, by calling a spade a spade and this is what we did at the CFDT. And then we did that by fighting for jobs on a European level. Our labor union has worked very hard and we should hope that the government will do the same. Regardless of the angle by which we view the situation, we always come back to the motionlessness of the Barre policy. What I find most scandalous in the premier's attitude is that it bars any hope. Everything is happening as if Mr. Barre had said: "There is no way out. You other workers, you can do what you want, you can stage mass actions if you want; all you have is my policy--so make the best of it." This certainly is an invitation to crime or rather an invitation to violence. This is a trap laid for the labor union movement.

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This is a trap for a collective action which--for lack of anything positive it might be aimed at--entails the risk of exploding.

Question: And how will all this end?

Answer: It will end badly. In the long run, this kind of excess backfires against the workers, against the unemployed, against the weak. It can also lead to recourse to authoritarian leaders.

Question: If you believe in this danger, why are you not trying to defuse the most explosive situations rather than look for overall solutions? Listening to your suggestions, I am afraid that expensive formulas, which might be imaginable to soothe special distress situations, will become generalized and the French economy will flounder under the weight of burdens that are too heavy.

Answer: We are always open to a search for special solutions but they cannot be enough when it comes to responding to the gravity of the problems we face. At the same time we are aware of the overall constraints upon the French economy. Mr. Barre certainly realized a certain number of facts and explained them quite frankly. Unfortunately there are other facts which Mr. Barre did not wish to see because they threaten the interests of business and industry. And then, instead of recognizing the social difficulties, he denies them. In the France of today, a real statesman would follow the Mendes tradition. On the one hand, he would not engage in demagoguery; he would not say "Everything is going to be easy, everybody will be happy." But, on the other hand, he would try to get the workers involved in the definition of viable solutions. These solutions would have to be negotiated and not imposed abruptly, just by chance, as in the case of the steel industry or television. The future has to be prepared; it cannot be imposed. Believe you me: You must never place people with their backs to the wall because then they will get angry. The risk is that France might again find itself torn not only politically but also socially. It is high time for the government to change its methods and policy.

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COUNTRY SECTION

FRANCE

PERTINENT OFFICIAL INTERVIEWED ON RESEARCH POLICY

Paris PARIS MATCH in French 16 Mar 79 p 65

[Interview with Secretary of State for Scientific Research Pierre Aigrain by Laurence Masurel]

[Text] [Question] Barre says privately that he basically counts on three ministers to overcome the economic crisis: Monory, Giraud, and you. Does this mean that scientific research has recovered its former standing?

[Answer] Yes, but the premier never told me anything like that. In the administration's spirit, scientific research is today considered very important not in short-range terms--research will not resolve the steel industry crisis in Lorraine over the next 2 years--but rather in long-range terms. The first effects of this new policy will be detected as of 1985.

[Question] Nevertheless, one can here everybody say that research in France is lagging.

[Answer] Not in qualitative terms. It is true that it has its strong points and its weak points. In biology, for example, we are inadequate in certain disciplines, such as nutrition or clinical pharmacology, in other words, as applied to man. On the other hand, genetics is a peak sector. The trouble is that, when we are good, this is not clearly noticed by public opinion and the media.

[Question] Can France compete with countries such as the United States and the USSR which have tremendous funds?

[Answer] A medium-sized country cannot claim to be the first in all disciplines but it must be in the lead platoon. That enables it already to have access to all worldwide research. It is not enough to get scientific publications and communications from all over the world; you also have to know how to reason them. Being in the lead group means thus having a ticket that will get you into the club.

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[Question] Why are there so few Nobel prizes being awarded to Frenchmen?

[Answer] You ought to ask the Swedish Academy that question! Prizes are awarded to individuals of great value but not to all people of great value. The prizes, moreover, are awarded for work dating back 20-30 years, most often. Unfortunately, at that time, French research was not in very good shape. To that you can add the fact that the researchers, who do not know how to make publicity for themselves with the media, know even less how to make publicity for themselves with other scientists. Now, the award committees pick those they know.

[Question] Is there still a brain drain going abroad?

[Answer] No. This is a phenomenon which dates back to postwar times and at that time it was confined to medical research which was not in good shape anyway. To a certain extent, I regret that we only have 50 brains per year who definitely abroad, out of the 15,000 we train. If there were more, this would enable us to establish more contacts. The Americans have realized this; the brain drain is heaviest in their country.

[Question] Can we have big discoveries capable of arousing the interest of the public at large?

[Answer] They are foreseeable. And, if they take place, the public does not always grasp their importance. At a moment when we celebrate the 100th anniversary [of the birth] of Albert Einstein, we must recall that his discovery of the theory of limited relativity, which revolutionized science, did not arouse any interest, to the point where he did not get the Nobel prize for it but for his explanation of the photoelectric effect. But who remembers that, anyway?

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COUNTRY SECTION

FRANCE

BRIEFS

PCF MEMBERSHIP REQUIREMENT--On the subject of giving PCF membership cards to immigrants, the clause [in the PCF's regulations] requiring French nationality to become a party member will reportedly be eliminated at the upcoming party congress. [Test] [Paris PARIS MATCH in French 30 Mar 79 p 66]

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COUNTRY SECTION

SPAIN

BRIEFS

INTERNATIONAL LABOR MEETING--As a result of a UGT [General Union of Workers] proposal Spain will host, for the first time, the Congress of the International Confederation of Free Labor Organizations (CIOFL) from 15 to 23 November [1979]. This confederation represents 65 million members. In addition the Second Worldwide Meeting of Union Youth will be held in our country in May 1980. Approximately 4,000 delegates from different countries will attend. [Text] [Madrid CAMBIO 16 in Spanish 25 Mar 79 p 5]

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END

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