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JPRS L/8952 27 February 1980

West Europe Report

(FOUO 10/80)



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WEST EUROPE REPORT

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COUNTRY SECTION

INTERNATIONAL AFFAIRS

TECHNOLOGICAL SANCTIONS WOULD HAVE WORLDWIDE REPERCUSSIONS

Milan CORRIERE DELLA SERA in Italian 26 Jan 80 P 21

[Editorial by Bruno Ciborra: "The Withholding of Technology Will Hurt the USSR and the U.S.A."]

[Text] Among the various commercial measures resulting from the state of tension between Russia and the U.S., we should like to indicate one that, if applied completely, will have crushing negative effects on the energy market and thus on European economy, much more so than other measures that are perhaps more apparent, such as the deployment of troops, the withholding of food supplies, etc.

We refer to the decreed blocking of any supply of technology (machinery, engineering), especially in the field of energy, to the USSR. The first obvious result of this action will be a concurrent blocking of USSR energy supplies to West Europe. This might occur not only in terms of energy raw material, like natural gas for Italy and the Federal Republic of Germany [FRG], but also in terms of refined energy technology.

Let us speak of Russian enriched uranium supplies to the various countries of the EEC [European Economic Community], especially the FRG. This supply of qualified energy has assumed an essential role with respect to European provisions following known events: the U.S.A. refusal to easily supply enriched uranium to European countries (Carter's statement on nuclear nonproliferation) and the development of nuclear energy that requires enriched uranium (for fast reactors) in pilot European countries, such as France and the Federal Republic of Germany.

But the most negative result of the measure might boomerang on the U.S.A., itself. The withholding of energy technology from the USSR, particularly in the field of oil, where there already has been advantageous cooperation, will delay the exploitation of Soviet oil resources (for example, Siberia), which will oblige the USSR to supply itself on the open market. We do not believe that there will be any great difficulty, in view of the number

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of crumbling import-export companies (the case of the useless economic blockade of Rhodesia that was violated many times is proof of this).

The obvious and immediate consequence will be that later on there will be pressure from the oil market, both in the matter of prices and availability. Thus this would react dangerously on world energy and economic policy.

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A counterbalance to this situation might be obtained through greater American technological assistance to China, with particular reference to energy resources. However, it seems obvious that, given the physical distance of said country from the European context, and the temporary inertia connected with these eventual supplies for energy elaboration and production by the Chinese, this will not make possible a quick remedy to the deterioration in the situation that would result from an interruption in technological exchanges with the USSR.

Within the EEC sphere in particular, Italy is in a situation of natural and advantageous use of energy and technological exchanges with the USSR, in that Italy does not possess energy raw material, but has instead at its disposal suitable and sufficiently good technology for exportation (for example, engineering for oil drilling, thermoelectric and electromechanical machinery for conventional and nuclear thermal plants.

These of course are not the only extremely harmful results of an unfortunate growing tension between the East and the West, but certainly reflection on all of this should induce one to strive for an agreement.

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COUNTRY SECTION

FINLAND

COMMENTATOR DESCRIBES UKK'S HANDLING OF USTINOV PROPOSAL

Turin LA STAMPA in Italian 23 Dec 79 p 3

[Article by Frane Barbieri: "Helsinki, Russia's Shortcut"]

[Text] Helsinki--The treaty which gave birth to the phenomenon which today is being called "Finlandization" bears Molotov's signature. Arranged in Moscow back in 1948, the agreement established the outlines of the special kind of Finnish neutrality. In the articles of its two scant pages, it is implied that the USSR's strategic interest is tied to the independence of its neighbor, affecting it and giving it a unilateral stamp.

The first point is the most significant one. We read: "In the eventuality that Finland, or the USSR through Finnish territory, should become the object of an armed attack by Germany or any state allied to it, Finland, this being its obligation as an independent state, will fight to repel the attack...if necessary, with the assistance of, or jointly with, the Soviet Union." An arrangement in the genuine Molotov manner which, born of the anti-German obsession, with the passing of time has offered Moscow the pretext to add to the binding sentences of the treaty continually new and more binding interpretations.

No sooner does an international crisis appear than the Finnish president receives an urgent invitation for consultations on how to face together a possible attack. Particularly dramatic were the Soviet demands during the two Berlin crises (1958 and 1961). Even the current confrontation on the Euromissiles has been taken by Gromyko as a pretext to ask for urgent consultations and to obtain a pledge from Helsinki on the Soviet campaign.

Maneuvers

The hesitations of the Nordic governments are being attributed in good part also to the remonstrances presented by the envoys of Kekkonen who has warned against a presumed danger, shown to him by Brezhnev, according to whom a strengthened commitment in the area would cause the collapse of the special Nordico-Scandanavian equilibrium, articulated on an intermingling of alliances and neutralities, or, more properly, on semialliances and semineutralities. The most extreme application of that phrase of Molotov was attempted this summer by Marshal Ustinov.

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On a visit to Kekkonen, it seems always in the famous government producing sauna, the Soviet minister of defense attempted to force an agreement on holding joint maneuvers of the two armies in the Nordic zone, since they are pledged by virtue of the treaty to mutual defense.

The Finnish president was able to avoid this by resorting to quibbling over the term inserted in the main sentence of the treaty, according to which Finland is obliged to defend itself "as an independent state." Ustinov's plan would have cast a shadow both on the independence and on the neutrality of Finland. The marshal was defeated, which does not mean that he will not make another attempt at the opportune moment.

A politician told me: "The Soviets surpass everyone in patience. They keep repeating a proposal until the other side gets tired rejecting it."

Based on the eight terse articles of the treaty, there has since been built what Minister Vayrynen defines as "an extensive network of agreements concerning various sectors which serve as a basis for the practical cooperation between the two countries." Most concern the economy. A look at the list gives a first impression that Finlandization in this area has worked to the complete advantage of the Finns. For 10 years, Finland already was assured in advance of \$70 billion of business. In the two most critical sectors of exports and imports (critical on a world scale), the USSR offered its neighbor all the guarantees: the only naval shipyards in the world which are not in trouble are the Finnish yards, since Russian orders cover almost their entire production (and we are talking about the country's most important industry); and furthermore, the only economy which does not run the risk of shutting down for lack of energy is again the Finnish, since stable Soviet supplies of petroleum, gas and electricity cover more than three-quarters of the country's needs.

Under the heading "imports" of raw materials and energy one finds almost exclusively the USSR and under that of exports of highly finished industrial products, plants and machinery, one finds the same information. Everything has been paid "in clearing," without any financial worries.

It is no problem, they assure us, that such intense cooperation is being carried out between a state economy which is jealously private. In its commercial embrace with the Soviets, Finland has been barely touched by the world crisis.

The Soviets often object: "Although we are a great power, in these exchanges we seem like an underdeveloped and exploited country." They are referring to the fact that the USSR supplies mainly raw materials and takes in exchange industrial products. However, the Soviets do not seem to be losing out, either economically or politically. Instead of just a loss, it is a calculated loss. Economically, they obtain from the Finns machines which alone they are not able to build. Then, through Finland, they obtain Western technologies which are still inaccessible to the USSR.

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However, the superior advantage is without doubt political. The safety margin so as not to fall into a dishonorable situation in exchanges with a stronger economy is usually set by economists at 20 percent of total trade. Under the pressure of the crisis in the world markets, Finland has had to exceed the safety limits, going as far as 25 percent in its dealings with the USSR.

Beyond its quantity, the mortgage becomes heavier through its quality: the USSR holds Finland's energy sources (even the two projected nuclear power plants are Soviet) and it supplies work to the country's key industries. With one blow, it could doubly paralyze the Finnish economy. A circumstance which cannot fail to influence thinking and policy formation in Helsinki. Not only at high levels of responsibility. The common people, although they still say their "historic enemies are the Russians, the Swedes and winter," are already becoming convinced that the "K line" is the only way to live and survive: Finlandization thus becomes even psychological.

Here we come to the key dilemma, to the moment of truth, which we have postponed until this point in our study so as not to come to a conclusion too
early. Why did the Soviets not occupy or annex Finland, after having won
the war? Why did they not absorb it afterward, perhaps through an internal
coup, considering that the West would not have lifted a finger? Finally,
why do they not now break the internal system to impose one which is more
consonant with the Soviet one? As we looked for the answers, we thought
of the epic Finnish resistance, which perhaps Moscow prefers not to face
again. We thought also of a Soviet plan aimed at having Finland serve as a
model showcase to charm all of Europe at a distance, pointing it in the
direction of Finlandization.

I hear the most consistent response to all these questions coming from the soldier-politician Wolf Halsti, an observer strategy, a great friend of the president, an active politican, the former head of the Paasikivi Association which aims at broadening cooperation with the USSR. With Cartesian coolness, as if it were not a matter of his own skin, he told me: "Your hypotheses are too sophisticated. There is no room for illusions on Finland's position. The fact that the USSR did not occupy us was not due to friendship. It was only a precise calculation. If they had tried to occupy it, Sweden would have given up its position of neutrality and it would have joined in the Western alliance. NATO would have become active in the Gulf of Bothnia, facing Russianized Finland and facing Leningrad. Scandanavia would have become an enormous aircraft carrier close to the USSR. The status quo is more favorable to the Soviets: now the entire gulf is pratically a Russian sea. If Sweden were to become allied with the West, Soviet policy on its relationship with Finland would change overnight. I do not believe the Soviets would refrain from occupation for fear of our resistance. What the Finns and the Europeans thought would be irrelevant. With the current state of affairs in Moscow, the prospect of extending the neutralist spirit in Scandanavia and then through the entire continent, remains open."

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At this point the colonel took out a book of his just published entitled "European Crisis." He describes it as "fictional reporting," since it takes place in 1988. That would be the year in which Halsti, basing himself on his studies of Soviet strategy, foresees great changes in Europe. This is not fantasy. These are predictions.

This is the plot of the book as told to us by the author: the USSR, after the insertion of the Chinese card into the planetary game, finds itself besieged on all sides. To break out of the encirclement, the Moscow government takes countermeasures and decides to break the circle at its weakest point: Europe. An important Soviet minister visits the Belgian and Danish leaders to explain the need for the Soviets to extend their security zone to Europe. The USSR does not want any other power to use Europe to put pressure on the Soviet Union while the latter finds itself involved in Asia. Its aims would not be imperialistic, but defensive.

Europe, again according to the book's hypothesis, can remain capitalistic or whatever it wants, but without the military bases of another superpower. Moscow demands the withdrawal of the United States from the continent and offers in exchange all military, political and economic guarantees. NATO is informed and its council, at the suggestion of the Germans and the Americans, rejects any possibility of negotiation. The Soviet persist with individual governments. The French government discovers that, after all, Moscow's arguments are not far from those of Paris. The USSR proposes an international conference in Stockholm. Washington manages to block it at first. Moscow then resumes its close bilateral negotiations with the Europeans. Holland, Denmark and Belgium begin to vacillate.

Ultimatum

France and Germany, at this point (this is still from Hasti's book) express the fear that a conflict could explode if the Soviet demands are not taken into consideration. In fact, Moscow in a series of notes intimates an "ultimatum" of 2 months, to open the negotiations and obtain a compromise. The European governments consult each other anxiously. Consequently, even in America the idea of the need for a new balance is making headway. It is felt that is would not be possible to wage a limited war in Europe without causing a nuclear and planetary war, which reinforces the Soviet thesis. There occurs a sort of referendum within the framework of the European Community: the majority decides to approve the security needs 2-2 vanced by Moscow. The United States withdraws and Moscow pledges to observe, along with Washington, the neutrality of Europe. There are still 9 years before Halsti's predictions are to come true. If events follow this "fictional report," the Finnish experience "might become useful, positive and worthy of being studied" in order to establish a new order on the continent.

As I left, I had the suspicion that the Finns are wishing for the Finlandization of Europe, hoping that within a changed framework of forces, Finalandization would be translated into a sort of Europeanization of Finland. At this point, we must inquire of the Europeans: how much do they see themselves reflected in the fate of the country of a thousand lakes.

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COUNTRY SECTION

FRANCE

USSR'S ATTACK ON ISLAM VIEWED

Paris PARIS MATCH in French 18 Jan 80 pp 40-41, 68

[Article by Arthur Conte]

[Text] The conflict between Iran and America is a false problem; the Afghanistan drama, which is a major problem, may be the first phase of a confrontation between Islam and Marxism which is going to dominate the end of this century, and Pakistan, as the first Muslim "thermonuclear" power, will pose serious problems in the next decade. These are the main lessons to be learned from a calm and objective analysis of the serious elements tormenting, from Kabul to Tripoli, this key sector of the world. The take-over of the American Embassy in Tehran by more or less controlled crowds is important only at the human level. It is obviously normal that almost everybody in the world should be moved by the plight inflicted on the 50 hostages, in defiance of the most sacred international regulations. One may tremble for their life, one imagines what moral tortures they must be suffering: this is what makes a deep impression on world opinion.

The Americans Never Colonized Iran

On the other hand, viewed attentively, the matter is far from assuming primordial significance on a strictly political level, except that of the American presidential elections, in which according to the final destiny in store for the hostages, Jimmy Carter stands more or less high chances for reelection. The simple reason is that there is no serious political reason to justify a conflict between Iran and the United States. The latter purchase from the Iranians only a tiny fraction of their oil imports, barely 1 percent of their needs. Unlike Russia or Great Britain, they never colonized Iran, directly or indirectly. They only provided powerful equipment for the shah's army at the express and free request of the Persian sovereign, naturally anxious to protect his people from the cupidity of too ambitious or voracious neighbors. They had established on the northern Iran frontier, along the Soviet border, a surveillance and protection network with the total agreement of an Iranian Government which had never had to be pressured into consenting to it. Although they occasionally played a fairly decisive role in the internal life of Iran, it is only when Carter refused to support the shah facing the religious

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heads and thus caused deliberately the fall of the Pahlavi regime, in the hope, so natural in this very religious minded man that in a regency formula and for example, after the coronation of the Crown Prince, a mystic religious regime could be installed, which would establish relationships of confidence with the great believer in prayer of the White House. It had never been the intention of the American President, who for the rest, is known to resemble Roosevelt in his principles, to colonize Iran through puppet ayatollahs, but rather to seek with them bonds of simple friendship. It may be said that his fault lay in naiveness, and not cynicism or greed. Once the Imperial family was exiled, Carter sought again relationships on an equality basis between Washington and Tehran. It is even certain that after any peaceful settlement of the specific problems relating to the hostages, the Americans will only seek to coexist normally with any Iranian Government or sovereign, whoever he may be. Consequently, there can be absolutely no political reason strong enough to start a conflict, and all the more, a bloody conflict.

A New Convulsion in the Capitalist World

For the rest, to understand even better the futility of the irritating disput in progress, you need only ask yourself who are the men or forces who have gained or may gain by provoking it and causing it to last.

The first one is surely Ayatollah Khomeyni, a very effective manipulator, who found in it an unexpected opportunity of crystallizing all the fury of his public opinion and to induce people more easily to forget the deficiencies in his political and economic management: While his crowds are demonstrating against the American "spies," they will not be thinking of organizing marches, parades and demonstrations against any particular inefficient ministers, or take part in mortal riots between ayatollah clans. The American scarecrow acts as an obsessional red cape in the eyes of the nervous and aggressive bull, totally panic-stricken in the present turmoil. The second beneficiary is obviously the Soviet Union. First of all, the event provides it with the opportunity of stirring up a new "convulsion" in the "capitalist" world. The it helps unexpectedly to concentrate the indignation of the Iranian people against the Americans alone, thus preventing this indignation from rising against itself. Finally, it even manages, at least for some time, to prevent prominence being given to its own disagreements with Iran and Islam, in spite of the seriousness of the latter. The situation is worth exploiting to the hilt. It is not surprising by the way, that shrewd witnesses were able to observe a number of elements of the Iranian Tudeh Communist Party among the students who seized the American Embassy and are holding there the hostages with stony intransigence.

The only ones who benefit by taking the heat out of the debate, then defusing and erasing it are the Americans. And this is what leads us to believe that the present conflict between Tehran and the White House is a false problem.

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Our analysis would only change completely if suddenly because of who knows what madness of crowd or crank, the hostages were to be massacred.

This is so true that certain men might plan to create "the irremediable" situation by proceeding to cold blooded massacres. But how can one even think of this.

As for the Afghanistan drama, this is a top priority problem. That is because it is the first to raise, in terms of bloody conflict, in all its vastness, the greatest confrontation of them all: the one opposing Islam and the "Godless empire," the believers in the most impassioned faith in the world and the Marxist universe. The more so since it reverberates in shock waves on the fundamental choices and the destinies of Russia itself.

Union of Men Considered Unreconcilable

It may be noted by the way, that very strangely, many of our newspapers or observers seem to discover the Afghan drama as though it were something new. That is not at all true. It began at least 6 years ago when, with full official approval from the Kremlin, a "communist" coup d-etat overthrew the royal dynasty in the person of Zahir Chah, precisely on 18 July, 1973.

The well organized Afghan communists immediately undertook to make the country Marxist, with the help of Soviet "advisers," whose discretion was not their greatest virtue. They would never have expected a firm opposition, the more so as there is not a single Islamic country in the world where tribes and trends, Shi'ites and Sunnites, Subshi'ites and Subsunnites oppose each other with more bitter hatred. The dialectic of our "historic materialists" was imprudent; they believed they had grounds for their conviction that such tribes would never be able to constitute a united front. Well that was what happened. The unimaginable situation became concrete: the union of men assured forevermore unreconcilable. A few blunders on the part of the "infidels" only precipitated the phenomenon. Soon shots $% \left\{ 1\right\} =\left\{ 1\right\} =\left\{$ were fired. By 1975, the drama had come to a head in all its intensity. In vain did the Soviets reinforce their personnel every year. Just as futile were the severe purges of communists on the pretext of treason, deviationism or incompetence; they even proceeded to change one government after the other, one "archduke" after the other. The more they realized they had been proceeding on a wrong initial analysis, the more they got worked up, and the more they contributed to aggravating the problem, the more friends they lost, to the point that they could only rely on the support of a few creatures. The worst happened: the Afghan army defected in its turn, and rallied to the side of Islam, whole units at a time, a party from year to year increasingly cemented, bolder and more obviously uncomprising. Now, 5 years later, Moscow had to send three elite divisions and engage about 50,000 men in uniform or as civilians. Suddenly then the drama unfolds its full effect, the more so as now the entire Afghan people has been termed rebellious.

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> Some people, reasoning with an apparently impeccable logic, explain that we see in Afghanistan a phase of "worldwide decolonization." The great European colonial empires fell in about 20 years, in the early sixties. The only remaining empire is the Russian one. The advantage enjoyed by the Russian colonial empire was that it was "grouped" and not "scattered to the four corners of the world. The Russians were therefore able to safeguard their property. Well, these demonstrators now say, even if the line is held rigorously from the Baltic to Vladivostok, decolonization is now striking in its turn the Soviet Empire. The other Muslims colonized inside the Soviet Union itself, in Kazakhestan, Girgiestan or Azarbaijan will not fail to follow. One has to admit this idea is attractive. But is is actually just the opposite that is taking place: far from watching a "decolonization drama," we would be more correct in identifying it as a process of "recolonization." Russia had to make that terrible choice: not intervene in Afghanistan and abandon the latter to itself, but at the risk of a loss of face, and accept historically a defeat in the face of an Islamic army, and have the "Islamic evil" flare up on its own territory.

> In their present offensive, the Russians have been attentive to the memory of the "water-carrier's son," the visionary Islamic wise man, the desert preacher who in the twenties, preached to Kaul about Islamic purity and caused in the Muslim provinces of the USSR, disturbances which must have been cruelly repressed.

It all happens as though Moscow had become Byzantium. It was built long ago as a daughter of Constantinople: you have only to contemplate its Kremlin, its churches with pointed domes and its icons to be convinced of it. It even owes to Byzantium its alphabet, its Orthodox religion and its passion for vast ceremonies. Now it has taken over completely from where Byzantium stopped, to the point of replacing it. For centuries the "Byzantine empire," or as it was also known, the "Eastern empire" (which had separated from the "Western empire," whose capital was Rome), held under its dominion vast Eastern and African regions. Now Moscow is establishing itself as the capital of the new "white" Eastern empire, served by generals already as bedecked, decorated and superb as were the gaudily appareled Byzantine dignitaries and satraps. It is quite natural, according to the laws of a very ancient history, for the soldiers of the Eastern empire to go off to Afghanistan to impose the imperial law in the territories and over the most turbulent tribes. The indignation of the West must be astonishing the Muscovites.

The Yalta Spirit Can Survive the Crisis

They can do without our fine scruples. For them there were only two options: leave or remain. They are incapable of imagining any middle way. Thus, seeing that in their eyes, leaving was impossible, they gathered all their military trumps to win. They are sparing no expense. How ingenuous many of our intellectuals must be to have so often imagined in the past that the Soviet heads could act occasionally as tender doves and to be

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surprised to see them now engaging in total war! At least one thing is sure: The Russians will only start discussions with the Americans on a general Middle East arrangement when they have attained their total objective in Afghanistan with the most drastic will and forces.

For one day or the other, like it or not, whether or not it sounds surprising today, the Eastern empire will necessarily come to terms with the new Western empire, that is Moscow and Washington. Let us West Europeans not be deceived by the vociferation and threats being exchanged on a homeric and temporary basis from one great rampart to the other. The spirit of Yalta is not broken at all. It should even survive this crisis stronger than ever. Naturally the regulations and establishment of a Russian-American condominium are not and will not be simple. On one hand, revolutionary Leninism remains Moscow's official doctrine: the communist Internationale, more or less camouflaged or disguised, remains a formidable force (and we can see the greatest proof of this in the openly pro-Soviet position of the French Communist Party). On the other hand, the worries about the campaign for the presidential elections are disturbing excessively the American policy: nothing is pure in Washington any more; Carter does not want to be accused of a spirit of abdication shown on another occasion, by a certain Neville Chamberlain and a certain Edouard Daladier at the Munich Conference in 1938; he can allow himself to seem to be a toy in the hands of Russian machiavelism; he cannot go too far publicly in his deep complicity and "objective" alliance with Moscow; moreover, as long as the American hostages in Tehran remain in danger, he could not adopt an attitude of too much compromise: for some time, he is compelled to show a certain stiffness, or even bravado. It is nonetheless glaringly apparent that the Middle East can remain stabilized only if the two Superpowers supervise or impose a balance. Apart from them and their agreement, no real peace is possible there. We will therefore inevitably see them reaching an agreement. The only alternative solution is world war, or a terrible risk of world war which neither the Americans nor the Russians are panic-stricken enough to adopt now. The Middle East will be divided into areas of influence just as Europe was divided in 1945, and just as later the Mediterranean and the control of the Suez Canal was shared. On condition of being acknowledged de facto in Afghanistan, the Russians will be willing to make all the necessary engagements to respect and have respected the oil bearing areas which are vital to the Western world. On condition of not having the Russians exerting a more or less direct control of the black gold of the Middle East, the Americans will do nothing in the final run to prevent the Russians from fortifying their "safety positions" on their southern border. The only great victim in the entire bargaining after Afghanistan, will be Iran itself, which will not only be ruined and have even its independence threatened, but will its southern oilfields mortgaged, and its northern area closely watched by the Russians and regions suffering from storms of separatism.

On the other hand, now Russia is in open conflict with Islam. This is the event, the great dramatic event, and not just at the level of who knows what Russian-American rivalry. This is the irremediable part

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of the situation. No matter what Soviet Russian does in the next 20 years, the Islamic heart will consider it imposed martyrdom on an Islamic nation. It has not done with mishaps from the Muslim areas. In any case, the country of Lenin can no longer be admitted to the ranks of liberator countries. It will be no less sunk in the eyes of the Third World than the country of Lincoln could have been during the last few years.

Party's Exposure to Wheat Blackmail

Even when engaging in adventures on phenomenal scales, the Russians can practice more deceptions than foreseen. The result will then be counter shock waves on the Soviet internal policy itself. The party, accused on all sides of poor management already and thus exposed madly to the "wheat blackmail" may be held responsible by the army for possible setbacks arising in the Afghan bush. The conflict between party and army will only arise more quickly and violently. In olden days, in Byzantium, the palatine officers where quick in dethroning the Basileus (the emperor of Constantinople) whe had suffered too many serious difficulties and defeats; even when they were actually primarily responsible for the mistakes committed, they excelled in the art of blaming the civil authorities. We may be witnesses tomorrow of identical Army-Party conflicts in Moscow. From this viewpoint also, the Afghanistan war may cause up to the end of this century consequences of unlimited importance.

In view of this analysis, the boycott of the Moscow Olympic Games would naturally be a fatal error.

This is certainly not the time to isolate the Russians among themselves and leave them to their own demons. We had already made this enormous mistake at least once: in the twenties with regard to Germany. By isolating and humiliating it, we created in it ideal conditions for Adolf Hitler. He is directly the child of the Treaty of Versailles. Let us not deal with the Russian people as unskilfully as we did before with the German people. Let us not participate in inspiring there the triumph of a man who will represent too powerful an incarnation of the forces of defiance for whom European peace will be the first victim. No alarmism is in order. I have friends who had their New Year celebrations spoilt because, in his wishes to the nation, the president of the republic seemed to have very dark thoughts and had spoken exceptionally seriously. Indeed, perhaps Valery Giscard d'Estaing had himself dramatized the problem a little too much. But frankly, there is no need to lose all confidence, and let us be sure that the president will wish to qualify at the earliest opportunity the impression he may have given.

As regards the economic sanctions and blockade which Carter is planning against Russia, besides involving the same moral and political errors as the boycott of the games, how can one believe in them? As far as our memories go back in the annals of history, any blockade has had a counter

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blockade and all sanctions of this type have easily been by-passed and quickly reconsidered. One has only to recall the so-called sanctions against Benito Mussolini when he went to attack Ethiopia or those imposed to intimidate Ian Smith and the whites in Rhodesia. On the contrary, the immediate effect is only to make those they claim to intimidate and embarrass adhere more firmly to their resolutions.

Meanwhile although since the Soviet offensive against Afghanistan, the Americans seem to have decided to aid Pakistan in arming itself powerfully, to the point of atomic armament, it may be questioned whether they will stick to their decision. It cannot be forgotten that not so long ago, Russians and Americans had joined in a serious quarrel with France because it proposed to supply Islamabad with uranium enrichment plants. On several occassions they deplored equally loudly the obstinacy shown by General Zia in his wish to produce the bomb. After settling the quarrel now in progress and if, as will probably happen, the American-Russian condominion were reestablished, it would be very surprising if we were not to find Moscow and Washington realigned in the same reservation with regard to the military programs of General Zia or his successor. Be that as it may, "detente is dead," an American senator was able to declare. It would be simple to say that it is being severely challenged.

Not that the Russian intervention in Afghanistan has given rise throughout the world, to impressive or grandiose protests. What would we not see and what would we not hear along our streets if the United States were to undertake a similar crusade against Cuba, or if South Africa dared to invade Angola! Neither can the armies of the free nations even dream of going to the aid of that proud and courageous Afghan nation whom Joseph Kessel admired above all others.

But for the last few years the Americans have lost so much and retreated so much on all the continents that the American sensitivity is now raw and they can no longer tolerate the inconsiderateness, the cheek and the cynicism of the Soviet policy. It is therefore inevitable that they will no longer be content simply with acknowledging the blow and will demand from their government increasingly strong reactions. The world is thus marked by a serious crisis of confidence between the two Superpowers.

The main thing for us Europeans is not to underestimate this, and neither be excessively alarmed by it.

It should not be treated with any disdain by telling ourselves, in particular that there may even be advantages by the very fact that it may compel the Americans to show more realism and prudence than they generally display towards the Soviets, who from the time of Stalin in Yalta have been past masters in the art of deceiving them.

Alas! The situation presents even more drawbacks if only because Carter is a weak man, there is a succession drama taking place in Moscow, the

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United Nations has lost any arbitration power and any crisis in itself aggravates the nervousness and irritability of either side.

Threat of Excessive Agitation

Carter is irresolute; this does not need any further proof. The misfortune is that any weak person, in order to display a personal strength which does not exist is led, more than a strong man to reflexes, bursts and extreme reactions. A strong man is able to calculate his gestures at the worst moments. A weak person in the panic aroused by feeling out of his depth may give way to totally uncontrolled and impulsive decisions.

To the extent that once again the Politburo is divided fatally into the "hard" and "soft", that the American President abandons his support of the SALT II treaty and leads to the breakdown of a project which Brezhnev wished to have represent his grestest historic thought and the events deal a total blow to "Brezhnevism," Moscow, at the summit, is also entering into a phase of uncertainty and irresoluteness which may give rise to totally untimely measures.

The crowds, the ayatollahs, the students and the Tehran cemeteries, by ridiculing the unfortunate Kurt Waldheim, have proved once and for all the futility of the United Nations. The "thingamajig" has become again an inert contraption.

Finally we still have to beware of an accident caused by excessive agitation. Only remember the famous "attack alert" incident about 2 months ago, This happened exactly on 9 November at 10:50 a.m. in the headquarters of the North American Air Defense Command (NAADC) in Colorado Springs, in the American State of Colorado.

Suddenly a magnetic tape, controlled by a computer shows "enemy attack" on the control radars. The officers present need not even interpret the signal since by definition, the computer cannot make a mistake, and already the other control centers are alerted and prepare to respond. In the next 3 minutes, fighter bombers take off, in particular F101 units from the Comox base of the Canadian Air Force (British Colombia) and F106 aircraft from the Michigan and Oregon American bases. The fact that the strategic B52 bombers do not take off is because that requires the express and exclusive order from the President. In any case, with or without the B52, the entire country was then in a "state of nuclear war." Fortunately on the circuit, at the sixth minute a subordinate officer realized in a moment of inspired enlightenment, that this attack was very strange, as he was to say "at a time of detente." Just as promptly he proceeded to verifications which revealed just as quickly that the computer went wrong: the magic machine had only seen ghosts.

The Federal General Staff had just the time to launch the signal of end of alert and get the bombers to return to their bases. The secretary of

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defense, Harold Brown, the chief of staff, Gen David Jones and President Carter himself were only notified after it was all over!

But this means very simply that if that officer had not felt in a "state of detente," the worst might have been feared. Let us pursue the reasoning to the logical conclusion: in a "state of cold war," the officer would not have had the same reflex, would hever have doubted the computer and would have allowed the bombers to rush away.

This means that nowadays, it may not take much to start a war. This means it is important not to allow phases of acute mistrust to last long.

A few mediators still have enough prestige to intervene and recall the main actors to the necessary calm. The French president may be at the top of the list. It may be possible to find arbitration formulas. The problem is far from being a total impasse. Let us therefore not seek by futile alarms to contribute to further aggravate the dizziness on one side, cheek on the other side, and general chaos.

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COUNTRY SECTION

FRANCE

SOVIET GOALS IN MIDDLE EAST EXAMINED

Paris VALEURS ACTUELLES in French 7 Jan 80 pp 11-12

[Article by Raymond Bourgine]

[Text] Terrifying—there is no other word to describe the television address of the President of the United States, Mr Jimmy Carter, on the evening of December 31. It was good journalism on the part of TF 1 to have recalled this passage:

"I have learned more about the psychology of the Soviet leaders in the past $8\ \mathrm{days}$ than in $3\ \mathrm{years}$ as president," Mr Carter said.

Thus, the man to whom the most powerful countries in the free world have entrusted their fate and, consequently, our own fate, admits his ignorance and incompetence on the most important subject there is: the psychology of those men whom Marxism-Leninism has given the mission of world dominance.

It is difficult to believe that the American Marxism-Leninism specialists had not "briefed" their leader. But Mr Carter thought he should make allowances for exaggeration. In any case, he did not take the trouble of considering what Marxism-Leninism was, or of reading Lenin's works for himself.

In October 1975, Mr Valery Giscard d'Estaing, president of the French Republic, thought that while he was in Moscow he should place flowers on Lenin's tomb, to begin, on this pious genture, discussions with Brezhnev and with others about ideological coexistence. It was an empty, sudden and unforeseen incident. At least Mr Brezhnev was honest: peaceful coexistence among nations, yes, but ideological coexistence renouncing Communism's worldwide mission, in no way.

Communism remains by definition what it is and, by nature, what it wants to be: revolutionary.

The incident was even marked by 2 days of pouting during which the Kremlin masters left their French guest to fill up his time. Last year, in April

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1979, Mr Valery Giscard d'Estaing, again in Moscow, thought he should again bring flowers to Lenin's tomb, the tomb of the prophet of our future servitude.

Lenin said that the road to Europe was through Africa, and that it would be useless to spend any time in Asia Minor or the Indian Ocean: Afghanistan with its 6,000 meter mountain ranges is the ideal base for modern ballistic weapons.

In these mountains, long-range missiles capable of extending to all of Asia Minor, Western Africa, and the Indian Ocean as far as Australia, would have an unassailable base. The two aircraft carriers of the American 7th fleet and its 350 planes, no matter how strong, would be unable to destroy them there. In return, they would be on the ocean surface like flies on top of milk.

One may have heard a retired general, consulted very learnedly, state that Russia's decision to invade Afganistan was, to be sure, the fault of the Kremlin's geriatric government, instilled with ideas of a bygone era. And predict that the Russians will find their own Vietnam as they stuck in that country.

Indeed, the Christians and para-Christians of the West are morally disarmed even before waging a war where the enemy can dwell among the people like a fish in water. But the materialistic and atheistic heads of war do not have any inhibitions in their minds: to catch the fish, you just drain the pond. In that way, the Cambodian communists wiped out the people of the villages that were hostile to them. After that, and because they were infused with the same materialistic spirit, the Vietnamese communists did likewise. One by one, they "drained Cambodia."

The Islamic patriots in Afghanistan can expect a tragic fate.

The Soviet Union certainly runs a risk: that the Moslem counterparts of its empire will be upset over the fate of their Afghan brothers. But terror by nature confines its revolt to the privacy of the heart.

Next, we have Pakistan. Beware of India. At the head of the Indian army, the chiefs of staff have for many years been preparing an attack against Pakistan which they say must be "sudden, savage and short," [repeat]. To their way of thinking, it is a matter of eliminating for good the danger that Pakistan represents to India, because of its program of equipping itself with nuclear offensive capability.

That program went quite far and even recently brought about a (temporary) rift between Pakistan and the United States, which did not want to foster nuclear expansion.

A swift occupation of Pakistan by India would bring an ultimate end to this future threat.

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That is why Mr Giscard D'Estaing was right in telling the French people that the danger of war exists. It was part of his New Year wishes. But our people have a right to know the truth.

The danger of war exists and this war can assume all the forms which our weakness can offer it.

However, our weakness can only be a moral one. Physically, we have industry, scientific achievements, and financial means to provide us with the necessary atomic defense for protecting Western Europe.

But for the moment we have not had the will to do it. We have not even had the will to explain the nature of the problem. This is an immediate war directed at the sources of our raw materials and oil, with the main objective being the Persian Gulf, and the second objective South Africa, where raw material reserves vital to the industrial world are found.

Cut off from its supply centers, the economy of Western Europe would fall like a rotten fruit.

France certainly needs to preserve its autonomous nuclear capabilities and it autonomous capacity for detterence. However, independence does not rule out cooperation. Efforts toward individual security are a natural part of a collective security alliance.

Especially when long distance operations are involved, such as those which must be taken into account for protecting our friends in the Near East.

The advantage of the coup in Afghanistan is that all of Islam clearly sees the difference today. It calls attention to itself.

Many years have been lost on illusions or dreams. Perhaps, however, it is not too late to update our ideas about strategy and alliance.

Intending to preserve its identity which justifies its existence, France must make the individual effort that will assure its independence. However, it must also participate in the collective security. It must be capable of countering the Soviet Union at all stages of aggression.

For 5 years, I had hoped that the French Communist Party, which claims to be for France, would repudiate socialism's native land, i.e., the Soviet Union. I had hoped that its concept of communism, which had kept us radically apart from it, could have turned into a national concept, i.e., that in spite of everything, we would still have in common the love for the same country. I had hoped that with suspicion. In the end, however, the common program, so absurd from an economic standpoint, integrated the Communist Party into the Atlantic Alliance. All the credit for that, of course, goes to Mr Francois Mitterrend's energy. But we were hoping there was a conversion of the communists.

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Today, one wonders whether the conflict between the socialists and the communists had not been prescribed by Moscow to serve a secret purpose, a purpose whereby peaceful political activity is considered outdated, whereby the Soviet Union from now on needs determined revolutionary minorities.

The French Communist Party today endorses all the atrocities committed by the Soviets, in Cambodia, Vietnam, now in Afghanistan. It is getting ready to play a subversive role in the 1981 presidential elections.

It will surely seek to have that candidate elected to the presidency of the Republic who will make the best pledges to Moscow.

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COUNTRY SECTION

FRANCE

EFFECT ON PCF 'LIBERALS' OF AFGHANISTAN INVASION

Paris VALEURS ACTUELLES in French 21 Jan 80 pp 20-21

/Article by Andre Lesueur/

 $/\overline{\text{Text}}$ Among the Communist Party's responsible members, he was one of the most 'liberal.' Therefore, on 5 January, Mr Pierre Juquin, Essone deputy, a member of the Central Committee, made this statement on the subject of Afganistan, on radio station 2:

The Afghan question has nothing in common with what happened in Czecho-slovakia in 1968. We need not change a single comma in our position of that time. But Afghanistan is now an altogether different problem, in a totally different context.

One of the first approvals the PCF $\sqrt{\text{F}}$ rench Communist Party $\sqrt{\text{g}}$ gave to the Soviet intervention in Kabul thus came from a man who, 9 years ago, was one of the main architects of the PCF's so-called 'liberal' evolution, thereby substantiating the men of the system's extraordinary capacity for renouncement.

It is Mr Juquin who, among others, was the first to make known the renouncement of the idea of 'a proletarian dictatorship,' sanctioned by the 22d Congress in 1976. He then revealed in private:

"You will see: a little later, we shall renounce democratic centralism."

In Tours to support the communist candidate for a legislative by-election that same year, he there organized a completely different type of campaign in which ecology played an important part. A green dot replaced the traditional PCF emblem: the sickle and hammer.

In 1977, the clash between dissidents seemed to shake PCF solidarity with the Soviet Union. Mr Juquin was there once again in the forefront: in his party's name, he greeted the Soviet dissident, Leonide Plioutch. He even agreed to support him in a meeting.

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His boldness was perhaps extreme: the next year, a PCF electoral brochure entitled VIVRE, reproduced the photograph of a handshake between Messrs Juquin and Plioutch. Following a discussion at the PCF policy committee, Mr Gaston Plissonier managed to have this brochure reduced to pulp.

However, at the time of the serious disagreement between the PCF and its intelligentsia, Mr Juquin, at 50 years of age, retained that mien of eternal youth which so greatly favored his 'liberal' image. But he returned to the ranks.

Another 'liberal' and the first among them in the communist hierarchy is Mr Paul Laurent, secretary to the PCF organization. He was the mastermind of the changes outlined in the party's internal functioning. Secretary of the Paris federation since 1974, he there introduced open discussion and organized the 'Open-Hearted Communist' campaign, during which Parisians were invited to participate openly in the works of the cells and party branches. He is the friend of Jean Ellenstein who, as a candidate at the legislative by-elections in the capital in November 1976, conducted a very anti-Soviet campaign and favored France's continuance in the Atlantic Alliance. ("That would evade the Prague coup," he then said).

Mr Paul Laurent shields him. Just as he shielded his successor, Mr Henri Fiszvin, at the head of the Paris federation, when the latter, in the PARIS HEBDO, a communist weekly, now defunct, in 1978 called on his contestants to speak. But Mr Laurent is a dynamic man. Long an advocate of leftist union and personally close to some Socialist leaders, he was however, one of the first to denounce the PS 'right bank' at the end of 1977. Mr Fiszbin's friend, he became his attorney, as the one responsible for the federations in the Parisian region at the proceedings which, since March 1978, assigned him the Party leadership. A Eurocommunist closely united with Mr Santiago Carrillo, he adopted as his own the idea of a 'positive overall evaluation' of the eastern countries, proposed by M. George Marchais at the 23d Congress. in May 1979.

Two 'liberals' among others. All have not followed the same evolution: Mr Louis Aragon's former secretary and actor, Mr Antoine Vitez has just withdrawn from the PCF. Because of Kabul. For the same reason, Mr Aragon, also has signed a solidarity petition with the leadership of the Communist Party.

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COUNTRY SECTION

FRANCE

EDUCATIONAL GOALS OF AUGUSTE COMTE INSTITUTE OUTLINED

Paris L'EXPRESS in French 19 Jan 80 p 74

[Article by Michel Lafon]

[Text] Abounding in "green oil," strong in an industry which is outstanding in many fields, the possessor of an acknowledged influence, France has only ideas to weigh against her power sources which are running low. One of the deciding factors for increasing her wealth and lessening her dependence will be the adaptation of her population by an active and constant enhancement of her human potential.

This enhancement must of necessity, and first of all, go through a process of development. If our country is counted among the most progressive in the world, she certainly owes it in large part to the decided advantage her long tradition of an intensive and thorough education has won her.

The problem, therefore, is to safeguard our educational system's splendid opportunities which are its exacting requirements, its methodological precision, the reliability of its examinations. This, however, while dropping once and for all the basic requirements originally connected with it and adopting programs to the actual needs of the sector of activity in question.

The exact sciences should continue to pursue the qualities of clarity, synthesis, analysis, for acquiring which they have a matchless strength. But it is absurd, not to say dangerous, for our country, to further common interests, to continue promoting the existence of an elementary mathematics school on the pretext of having all French youth absorb increasing doses of mathematics—even though termed modern math.

History, geography, the natural sciences and, in a more general way, the human sciences, afford outstanding material for developing a perceptive turn of mind, a sense of differences and particular characteristics, of changes. Does this mean to say that one must know everything about the animal and vegetable kingdom, the surface of the earth and the Christian era? Obviously, no. The basic principle of education can no longer

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consist of the picture of the world which scholars from coast to coast present. Education should devote its time to sharpening and tempering the mental powers.

The Useful Employment of Men

After all, if the study of ancient languages is as good as any other activity in terms of developing the analytical and logical faculties, it is a known fact that the knowledge of several so called living languages is absolutely indispensable for the great majority of French youth.

With the clear understanding of desiring it, a new training such as this can be gradually developed. But training is only an indispensable prerequisite to engaging in an activity. Alfred Sauvy never tires of writing: "Wealth is the useful employment of men." The real problem is to bring together in the best possible way the forces available or capable of being rounded up for the tasks to be fulfilled.

It stands to reason that among sectors where repercussions are especially favorable, the innovation is well placed. But research organization, by their structures, the mental attitudes they have allowed to develop within them, do not lend the expected support to productive devices, and spend most of their time on one of their basic power pursuits. Every effort must be made to bring them back in line with intelligent efficiency.

Also, organization often see the drive necessary for their survival restrained by the weight of structures inherited from the past. On the subject, the application of simple rules, taking the human factor into consideration, is in the same stage of development as the employment of business methods one or two decades ago. The individual is not someone to be employed, he must be usefully employed. Called to diversify on both a short term and a long term basis, worker to production ratios can be only dynamically approached. Instead of going from one to the other separately, to arrive at a frequently unsatisfactory compromise, one should start from the central point, which is the work in its literal meaning, and seek the means of developing it with commercial efficiency and 'social' acceptability.

It is desirable, sensible, and at all events, vital, to be able from now on to establish some objectives which have priority and whose realization will condition the enhancement of France's human potential and our country's achievements 10 years from now:

--to make it possible for every French youth to be bilingual or even trilingual;

--to counterpoise scientific subjects at school, while achieving a balance in theoretical and logical training through a humanism geared to action;

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---to devote its main introductory occupation to research, for the benefit of innovation in the production sector;

--to encourage the influence of human sciences among the companies and, among other things, to recommend adequate manpower and the decentralization of administrative authority.

All this presupposes a high level of cultural development, which is to say at one and the same time of competence, clarity, knowledge, constructive willpower, culture, and lastly, among each of the individuals, and the democracy, openness, freedom and national solidarity.

France has these indispensable advantages at her disposal to a degree which few in the world can equal. When speaking of men, individually or collectively, these are what she should stress.

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COUNTRY SECTION

FRANCE

BRIEFS

CFDT'S ANTICOMMUNISM--The CFDT's anticommunism is becoming more and more evident. It's a case of "disappointed in love," says a leader from the rue Cadet [allusion not explained]. [Text] [Paris LA LETTRE DE L'EXPANSION in French 4 Feb 80 p 3]

CIVIL DEFENSE INVESTIGATION--The parliamentary committee on national defense will undertake an investigation of [France's] civil defense preparedness.

[Text] [Paris PARIS MATCH in French 15 Feb 80 p 68]

PCF OFFENSIVE--The PCF will initiate an offensive in the business sector. The 100 members of the central committee will go to the factories and will talk to the workers and distribute flyers. [Text] [Paris PARIS MATCH in French 15 Feb 80 p 68]

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COUNTRY SECTION

ITALY

PUBLIC OPINION POLL ON NATION'S SITUATION

Milan PANORAMA in Italian 31 Dec 79 pp 46-47

[Article: "Only One Succeeds: Pertini"]

[Text] PANORAMA has begun a new feature: Every 4 months Demoskopea will report the attitudes of the country and the popularity of its leaders. Here are the results of the first survey.

A thermometer of Italian public opinion; an index of acceptance of the government, of the principal political personalities of the moment; a scale of most deeply-felt Italian problems. That is Monitor PANORAMA. Every 4 months (30 April, 30 August, 30 December) on the basis of a large survey expressly carried out by Demoskopea (one of the most important public opinion organizations), PANORAMA will offer its readers a new informational instrument concerning the Italian situation. This method of periodical and systematic measurement has been widely experimented with in other western nations and it is absolutely new for Italy. It will make it possible to follow with considerable precision the evolution of tendencies, of choices and political preferences of the electorate.

The Italian people are little satisfied with the government of Francesco Cossiga; are preoccupied above all with unemployment, by crime and by the high cost of living; are skeptical concerning politics in general and with the specific activities of parties; admire Sandro Pertini. This is the profile of the Italian according to this first Monitor PANORAMA (the survey was completed by Demoskopea between 10 and 30 October).

One general starting point is a rather lukewarm interest in political affairs. Only 3.4 percent say they are very interested, 23 percent fairly interested, 38 percent have little interest, and 34 percent admit they not interested at all. The last figure corresponds, in all other questions, with the high number of "don't know" (always present in any public opinion poll). Other constant data include: More men than women show interest in politics, more in the north than in the south; critical attitudes are stronger in the south and among the poorer social classes.

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The high number of persons who do not care, however, do not save Cossiga from failure. Compared with 8 percent that judge him better than his predecessors, 11.5 percent consider him worse or much worse (46.7 percent believe that he behaves pretty much like Giulio Andreotti). And it is probably that this opinion has worsened in the weeks following the conclusion of the survey when the Cossiga government faced growing difficulties. However, the lack of confidence does not refer to the prime minister as much as to the formula of his government, which is considered inadequate by 42.1 percent of those interviewed by Demoskopea.

What political solution would be prefereable? The higher favorable response (25.8 percent) went to the center-left; 21.3 percent would prefer a leftist government, while the formula of national unity is considered best by 12.5 percent. Among the youth from 15 to 34 years, however, the preferred solution remains that of a leftist government. And this formula is also most favored by communist voters (62.6 percent), while it is surprising that 44.2 percent of the socialists say they prefer a center-left government.

Certainly, Italians believe that overall there is little confidence in the parties (59.6 percent) or no confidence at all (26.8 percent). Lack of confidence is also stronger in those 34 years of age or older. Some surprises, together with many confirmations, are seen when we examine the characteristics of the various parties more carefully. For example, the party most closely tied to foreign interests is considered to be the DC [Christian Democratic Party] with 25.9 percent (while the PCI stands at 13.2 percent and this is believed to demonstrate an enormous decrease in the image of the communists as "tied to Moscow"). Again it is the DC which 38.6 percent believe is more implicated in scandals and corruption. The PCI has the most honest and best-trained leaders, but the percentage holding this view is very low (11.4 percent) compared with the total responses: This would indicate that overall honesty and training of party leaders is never considered high. The most committed in the struggles for civil rights (18 percent) and women's problems (29.2 percent) is the Radical Party. The DC is instead indicated as the party that has the greatest responsibility for terrorism (23.8 percent) and has among its ranks the greatest number of opportunists (24.3 percent). The most authoritarian, the least democratic, is considered to be the MSI [Italian Socialist Movement] (30.3 percent), followed by the PCI (17.2 percent).

The widespread, and somewhat generic, lack of confidence in politics and parties seems however to rescue one important person: President of the Republic Sandro Pertini. There is almost a plebiscite of consensus for him: 69.2 percent feel he has done well or very well. In popularity he is far ahead of all the other former heads of state and he is particularly liked by the youth. The favorable reaction he enjoys could represent a sign of the demand for new methods and personalities which somehow resemble him, in contrast to the data on lack of confidence in parties.

The data regarding voting preferences of Italians are more difficult and complex to interpret ("if elections were held shortly, for whom would you

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vote?"). Few of those interviewed responded with precision. But comparing today's results with previous surveys some general facts can be inferred: A substantial holding power for the DC, a confirmation of the decline of the PCI, even if less visible than a year ago (between 1 and 2 percent); a slight increase for the PSI [Italian Socialist Party]; the stability of the minor parties.

No party seems to be able to channel a discontent which remains widespread. It is above all the economic situation that causes the greatest concern. For 31.7 percent we are already in a disastrous situation, and 37.1 percent are convinced that the worst is still to come. The most pessimistic are the elderly, the employees and housewives. The majority of those interviewed maintain that inflation is worse than a year ago, even if they believe that this has not had a particular effect on the standard of living of their own family.

It must be added that the Italian family, as it emerges from Monitor PANORAMA has considerably frugal characteristics. To the question: "How much is needed per month, in this community, for a family like yours to live without luxury, but without depriving yourselves of the necessities?" Only 12.1 percent believe it is necessary to earn more than 750,000 lire per month. A total of 26.2 percent believe that a figure between 500,000 and 750,000 lire is sufficient, while 24.8 percent believe it is enough to have between 400,000 and 500,000 lire. As much as 24.5 percent of those interviewed are content with a figure between 200,000 and 400,000 lire per month. The prevalent replies in this case, naturally, come from the south, from the islands and from small towns, and areas with farmers and those living on pensions.

1) How do you rate the activities of the Cossiga government?

Were the preceding governments better or worse?

Very good	0.6	Much better	0.2
Fairly good	23.5	Better	7.8
Fairly bad	20.6	About equal	46.7
Very bad	7.0	Worse	9.0
Don't know	48.4	Much worse	2.5
		Don't know	33.8

3) Is the present majority (DC-PSDI-PLI with the abstension of the PSI and PRI) adequate to govern our country?

Yes, adequate	15.1
No, not adequate	42.1
Don't know	42.4

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1)	Which are the most important and
	urgent problems that the govern-
	ment should deal with and solve:

Work, employment	39.2
Public order, common crime	27.7
Inflation, high cost of living	21.5
Pensions	16.8
Housing	16.6
Drugs	13.3
Public health	9.1
Fighting dishonesty, corruption	1.1

Level of Education

This table breaks down the percentages in the table on the left according to level of education of those interviewed

Higher	Intermediate	Elementary
48.5	46.8	32.5
23.7	23.4	31.0
19.2	20.4	22.8
7.6	12.5	22.0
18.1	18.1	15.5
18.6	16.0	10.2
15.2	11.6	5.8
1.5	1.1	1.0

Note: Preoccupation with drugs and unemployment is stronger among those who have a degree in higher education. The same may be said for drugs and health problems. Most strongly felt among those with an elementary education are the problems of higher cost of living and public order.

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1) How do you rate the job done by President of the Republic Sandro Pertini?

Very good	19.3
Fairly good	49.9
Fairly bad	5.0
Very bad	1.2
Don't know	24.6

2) Among the presidents of the Republic, which do you believe carried out his mandate most ably?

Einaudi	15.4
Gronchi	5.2
Segni	10.8
Saragat	10.9
Leone	3.7
Pertini	47.1

Age of Those Interviewed
The table below breaks down the percentages of preference for the presidents
(indicated in the table to the left),
according to age groups.

15-24 24-34 35-44 45-54 55-64 over 64 years years years years years years

8.3	13.7	18.0	18.9	16.2	18.7
				4.9	
7.4	11.7	10.5	9.6	10.1	15.8
13.2	8.2	10.9	13.6	13.2	7.0
4.7	5.9	2.6	4.6	1.4	2.3
52.2	52.3	47.6	41.4	46.9	40.9

Note: The preference for Pertini is stronger among the youth than among the elderly. The reverse is true for Einaudi and Segni.

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1) How would you describe the economic situation in Italy?

Disastrous Serious, but the worst is yet to come Difficult, but the worst is past There are always highs and lows Normal, even if not rosy We can say we are satified compared with other	31.7 37.1 7.9 10.8 4.3	
countries		
overall it is all right	1.6	
2) How about compared with a year ago?		
Better	6.2	
The same		
Worse		

3) How is the standard of living of your family compared with 1 year ago?

7.4

		Economic Class		
		Upper	${\tt Middle}$	Lower
Better	8.0	9.8	8.1	7.5
ihe same	53.8	67.5	59.4	45.5
Worse	33.3	18.5	28.3	41.3
Don't know	4.9			

The table on the right [headed Economic Class] breaks down percentages indicated in the table to the left according to the economic class of those interviewed.

Note: The standard of living has worsened above all for families of the lower economic class.

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Don't know

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COUNTRY SECTION

ITALY

LABOR MINISTER INTERVIEWED ON POLITICAL, ECONOMIC SITUATION

Milan PANORAMA in Italian 31 Dec 79 pp 147-150

[Interview with Labor Minister Vincenzo Scotti by Massimo Riva: "I See Black, Black, Black"; date and place not given]

[Text] The Cossiga government is now a leaf in the wind that can fall to earth from one minute to the next. But there is a minister in this uncertain context who still tries to push through some measures as though the danger of a crisis were remote. He is Vincenzo Scotti, labor minister, who has turned his attention—with urgent decree—law procedures—to two subjects made extremely pressing by the economic crisis: Worker mobility and the Supplementary Fund. In the first case, efforts are aimed at directly involving trade unions and employers in the administration of surplus labor; regarding the second subject, the reform aims at restricting resort to this subsidy only in situations that are well—defined in time, that is, the temporary crises in production. In brief, no more unemployement hidden behind the Supplementary Fund. Scotti now is preparing to send to parliament a draft law on another socially explosive subject: Pensions.

Is the labor minister an ingenuous individual who has illusions, or is he an astute politician who is launching insidious provocations? Many in the political world ask this question, but there are also many in the trade unions and in Confindustria since many, many firms and thousands of workers are interested in Scotti's production legislation. In this interview, which he agreed to give PANORAMA, the interviewee rejects simplistic labels. He explains his efforts as the fruit of a synthesis between economic need and political aims. Scotti reasons thus: The DC [Christian Democratic Party] Congress will produce no clarifying while the economy is on the decline, if the Cossiga government must fall it is better that this take place after having fought for some concrete measure, otherwise the government crisis will open in a void on abstract questions of formulas, that is, a very difficult and very dangerous crisis. Here is the report of the conservation with Scotti.

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[Question] Mr Minister, it now seems that this government is no longer able to get its measures through parliament. Yet you have just sent to the Chambers a decree-law on worker mobility and the Supplementary Fund: What hope do you have of seeing them approved?

[Answer] I am aware that not even a needle could pass through parliament today. But I am also convinced that given the subjects covered by my decree an exception should be made. This grows out of the need to settle real emergency matters in the world of labor: The trade unions are aware of it as is also Confindustria. I chose the decree-law procedure precisely because of the urgency of the matter.

[Question] What are the goals of this measure?

[Answer] To get the trade unions and businessmen to put their cards on the table. So far, both have preferred to administer disputes instead of trying to seek agreements to settle difficult situations. This initiative requires that the social parties make forecasts and specifically verify the demand and supply of labor. People continue to say that in different areas there are jobs that no unemployed person wants to accept. Very well, the new law offers an instrument to bring this situation to the surface: On the one hand, by obtaining an official declaration of all job offers, on the other hand, removing from the lists all those who regularly refuse a job.

[Question] What are the principal innovations concerning the Supplementary Fund?

[Answer] Over time there has been an accumulation of various types of aid that finally transformed the Supplementary Fund into a kind of semipermanent limbo. The legislative innovation consists of returning this instrument to its natural purpose of temporary and emergency support. Therefore the decree eliminates possible accumulation of aid and sets very precise time limits. More in general, then, there is the objective of eliminating black labor.

[Question] How would it go against black labor?

[Answer] It is known that many workers in the Supplementary Fund engage in all kinds of hidden activities. By removing a too-generous cover by the Supplementary Fund, it forces them to choose a declared line of work.

[Question] How have the trade unions and Confindustria reacted to your initiatives?

[Answer] They were fairly positive even though they were worried by involvement in new mechanisms. In any case, I hope that parliament will approve the decree even though with some amendments.

[Question] Very well, but suppose it does not happen that way?

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[Answer] I drafted the decree precisely in order to put each one, parties and social groups, face to face with their own responsibilities. If the decree falls, the economic and political consequences will be serious. First of all, they will be deprived of an essential instrument to solve serious plant crises such as that of Olivetti. It would be a misfortune because I foresee that the economic situation will worsen visibly in the coming months and an instrument to regulate the mobility of labor will be even more necessary.

[Question] Then you belong to the pessimist party concerning the economic cycle?

[Answer] I am neither a pessimist nor an optimist. I see, however, that inflation grows month by month; I understand that in 1980 we will have a shortfall in the supply of petroleum estimated at from 20 to 30 percent of need; I note that throughout the entire country there is an unrestrained chase after corporativism by every social level. Given all this, I look to the coming year with alarm and preoccupation.

[Question] What do you fear most?

[Answer] The general unawareness of the seriousness of the moment. Few, for example, are aware that the petroleum shortfall predicted for 1980 does not merely involve [price] increases for gasoline or of fuel oil, rather it means that many industries will come to a halt, that is, that the material bases of civil and democratic social life are threatened.

[Question] Does this unawareness exist also in the palace of power and among the parties?

[Anwser] Unfortunately it is very widespread. On many occasions, the parties themselves operate as voting unions and not as bearers of a general vision of the interests of the country. And since even every small corporation has its electoral weight, they all find a political voice ready to espouse their own cause. In this way, minority elements govern the country.

[Question] Certainly it cannot be said that the nation is governed by Cossiga. Would it not be better then to rapidly come to a crisis in order to have a solid majority and, therefore, a more efficient government?

[Answer] Excellent proposals. But be careful about opening a crisis in a vacuum: The results could be the opposite. It would be well to know what one wants to do first and with whom.

[Question] You're not telling me that you expect a definitive reply from the congress of your party, the Christian Democratic Party?

[Answer] No sir. I just think that the Christian Democratic Congress will end without a precise choice: Neither a five-party government with the PCI in the opposition, nor a government with communists in some cabinet positions.

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[Question] But can't we continue indefinitely in this situation of truce?

[Answer] Certainly not, because the conditions of the economy will not permit it. I believe that the only way out is to be found in the reality of what is to be done instead of in abstract formulas. This is why I drafted my decree. One objective is also that of counting up, within the reality of this parliament, with what majorities we can deal with the structural problems of the economic crisis.

[Question] That is like saying that you once more propose the policy of national solidarity of the 3 years from 1976 to 1979. But many in the DC reject it while the PCI wants full recognition as a member of the government. Isn't your way somewhat illusory?

[Answer] I just don't think so. In the meantime, it seems to me that the creators of the five-party government delude themselves more than I do also because the socialists are continually moving away from such a hypothesis. The central problem is that no one could withstand a situation with the communists in the opposition. But what constructive opposition? Given the situation the PCI would be forced back, against its will, to maximalist positions. In that case, who governs?

[Question] And what about the communists in government?

[Answer] I do not say this because it is a cost that the DC cannot pay easily. The main conditions of resumption of a policy of national unity refer to political climate. It is necessary to avoid the errors made last year when the PCI was fired upon from all quarters even though it was still wading across the river. The result was the collapse of any possibility of understanding concerning long-term projects such as the Pandolfi plan and the revision of public finance.

[Question] But will the PCI be content with simple guarantees of a political climate?

[Answer] It is not up to me to say. I note merely that we must have a government that would have the authority to impose sacrifices on the country. Contextual solutions do not exist. The people cannot be told: Even though your house is cold, your child goes to work. Some things must be given up now for advantages in the future. The solution of the alternative between the majority with or without the communists should be based on this dramatic but real equation.

[Question] And what about the Cossiga government?

[Answer] I believe it could fully carry out its task of promoting political clarification dramatically stating, before the parties and the nation, the big problems of the economy: Inflation, energy, indiscriminate corporativism. By fighting on these fronts the government could even fall, but it would contribute to the search for a solid majority.

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[Question] Let us return to the economy. After a long period of gestation, you are about to send to parliament the anxiously awaited pension reform bill. Will this government be able to get it passed?

[Answer] I do not want to delude myself: The parliamentary debate will be long and laborious. However, I point out to those who resist any change that, on the basis of the present system, INPS [National Social Security Institute] by 1982 will have accumulated a capital deficit of 36 trillion lire. This will not be the result of bad administration, but of the existence of automatic and infernal mechanisms of expenditure.

[Question] And how can that be stopped?

[Answer] The problem is not a technical one. The pension problem is a test of the state of social disruption in which everyone takes refuge in the defense of his own particular interests. All this could survive so long as there was a surplus to be shared, but today it is a matter of sharing a shortfall. Only a government supported by a solid majority and the bearer of a general vision adequate for the seriousness of the moment can solve the problems of public finance. In brief, there is a political question that arises out of the serious economic problems of the country.

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COUNTRY SECTION

ITALY

CONFINDUSTRIA PROPOSAL TO UNIONS FOR REVIEW OF WAGE INDEXATION

Milan CORRIERE DELLA SERA in Italian 16 Jan 80 p 12

[Article by Alberto Mucci: "Confindustria: To Centralize the Objective of Development It Is Essential To Review the Wage Indexation"]

[Text] Guido Carli is greatly concerned. "No interviews for the moment," he says. "My opinions are summarized in the document I sent 3 days ago to the union organizations to stress the extreme seriousness of the country's economic situation and the urgent need to come up with a remedy."

It is an important and long-awaited document. At Confindustria [General Confederation of Italian Industry] they call it "the challenge of accumulation." It is the last document drawn up by the "Carli administration" of that management organization. ("It is unthinkable for me to remain at the helm of Confindustria," Carli continues to tell anyone who asks him about that possibility, and he proposes a change in the confederal statute: "the business people should quickly demonstrate their ability to choose my successor, making sure his name becomes known through broad and convincing agreement among themselves.")

What is Carli's economic diagnosis? And what is he proposing of a positive nature to get us out of the current stalemate? The document's "political" answer is this: "Despite broad differences in factions, persistent need has induced political parties to seek positions in common and a dialog with the government." Confindustria "is still willing to meet with the union, with the meeting being open to government authorities." He adds: "The common search for what can be done is, first of all, to be preceded by a search for what should be done."

In this phase, the common position of the business people has probably been determined, and a large segment of that group was afraid (or is afraid) that understandings with the union are difficult if not impossible in the present state of affairs. But the dialog cannot be in the form of a closed session. It would then be injurious to everyone, to the country as a whole. It thus behooves us to put the cards on the table, each one playing his own role and not trying to usurp that of the others.

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The facts, then. Confindustria's document stresses that "the additional transfer of real funds to countries which produce raw materials (among which oil is obviously high on the list) and semimanufactured goods has come to the point where it is almost entirely devoid of productive investments." Statistics speak of a drop of 4.1 percentage points in investments from 1973 to 1978; of a decrease in family saving from 22 to 19 percent of available income; of a further absorption of saving by the public sector. All this has occurred "at the precise moment when an increase in the relative price of energy, hastening the obsolescence of productive plants, necessitated a higher rate of investment."

"The answer is given in terms of development growth," Confindustria says. And it qualifies this option with the observation: "We must raise the level of net investments to at least 15 percent of the GDP, or else it is necessary to double them with respect to the current level."

The challenge is great. Everyone accepts it as an objective. But it is in the cards, even politically speaking, to make sure that differences of opinion are expressed openly, that conflicts are made known. It is at this point that the conflict should be further developed and delved into without party or ideological prejudice. Confindustria prefaces its proposals with this observation, certainly one which can be shared, even though austere in expression: "The country, political parties and individual citizens are facing a choice of generational depth; continuing thus, the present generation can maintain its own levels of well-being only through an international redistribution of income and wealth, however each year consuming small amounts of capital and therefore transferring the burden of development to future generations. The alternative is to make immediate adjustments in our level of well-being, enhancing it with all possible increases in productivity and correcting our long-term development perspectives now an behalf of the future generation."

Correcting the current trand, taking action against the causes of distortions and determining strategy for "centralizing" the objective of growth. Confindustria is again taking up and supporting the union's proposal to increase productivity (but points out that this does not appear to be enough, while it declares itself ready to explore that subject in all its aspects and applications from the management level, from discussion of work shifts to the making up of lost productive hours, to internal jobassignment flexibility, to the introduction of term contracts and the like). But it adds—and here it gets into the hottest and most controversial subjects of the moment—that "an analysis of ways by which to get out of the crisis is complete only if it includes an appraisal of inflation, the cost of labor and international competition."

It is a technical observation. On the basis of foreseeable comparisons and indicators, Confindustria—as we had anticipated last Saturday—maintains that, without corrections, "inflation could reach 20 percent in 1980, even if there are no substantial changes in the lira's rate of

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exchange as a result of a soaring of the currency brought about by the fact that actual inflation exceeds that which was expected." It does not state the subject of wage indexation in definite terms but says: "In our economic system the operation of the current indexation mechanisms favors forms of adjustment which are detrimental to exchange rates operating principally from the aspect of investments. The accumulation process produces negative results."

In other words, in view of current tensions, wage indexation further reduces the possibilities for investment, thus serving as an alternative to any talk of growth. The "oil tax" has not yet been paid by the working people as a whole, although it has been paid by some groups (presumably public employees, retirees, managers and the like), and, with regard to the remainder, a bite has been taken out of productive capital. Corrective measures are in order.

The discussion shifts to the conclusion that the matter is also, of necessity, political. The union comes back to the topic of public spending, of waste, of a general economic plan which the government lacks. It is not completely wrong on that score. But the hypotheses presented by Confindustria cannot be evaded. Rather, they are to be included in a general strategy which must involve the economic and financial policy of the state as a whole.

The government, in turn, is faced with the problem of "how" to curb inflation: measures for action are limited, political distrust extreme. It speaks of not disturbing wage indexation as currently defined but of correcting its most glaring distortions without taking away any of the real purchasing power of the workers. Subtleties of terminology and objective needs to proceed along a path which will lead to a restoration of balance are interwoven (and sometimes clash).

The basic topic is still up for discussion: the challenge for development can be met only by correcting the distortions which have accumulated over the years and which are made all the more obvious by international tensions. But the practicability of corrections must run the gauntlet of political agreement. The question arises: Is it now possible?

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COUNTRY SECTION

ITALY

NEW OFFICES OF PCI FOREIGN AFFAIRS EXPERTS

Milan L'EUROPEO in Italian 10 Jan 80 p 37

[Article: "The Red Farnesina" [Location of the Foreign Ministry]]

[Text] Moves at Via delle Botteghe Oscure, where each floor of the building has its own hierarchical and political importance. The piano nobile is the third floor [second above the ground floor], the one that houses the PCI [Italian Communist Party] secretariat. It is on the third floor, in a private office, that Berlinguer meditates, protected by the devoted Tonino Tato, who supervises the corridor and the coming and going of visitors. After the "secretariat floor" the most prestigious floor is the second [first above the ground floor].

In recent days, on the stairs of Via delle Botteghe Oscure, there has been a great deal of activity, with the moving of furnishings up and down stairs. The reason for the move: the second floor, where the entire PCI foreign political section has been concentrated. Up to now, only the office of the chief of the Communist Foreign Section was located there, at the end of the long corridor. Yesterday, Sergio Segre; today, Antonio Rubbi. It seems that it was Berlinguer, himself, who wanted all of the comrades who deal with international policy to be together on one floor.

It is not really known if for better coordination or in order to better supervise Gian Carlo Pajetta who, in spite of having been removed from the secretariat, has continued to be the real PCI foreign minister. In fact, Pajetta had to leave his fourth floor [third above the ground floor] refuge to go down to the second. Now, next to his new office is that of Paolo Bufalini, chairman of the main committee that handles international matters; that office also was moved from the prestigious secretariat floor to the second. Sergio Segre, who is in charge of following European Community matters, was also relocated on the second floor. Thus, Pajetta, Bufalini, Rubbi, Segre, Mechini, who previously had been scattered on various floors, are now all together on the second floor of Via delle

Botteghe Oscure, immediately renamed "the Farnesina floor" by the vigilance "comrades."

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COUNTRY SECTION

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ITALY

DECREE LAW 684 ON SITES FOR ELECTRIC POWER PLANTS

Milan IL SOLE-24 ORE in Italian 10 Jan 80 p 2

[Text] Rome--Decree Law No 684 of 30 December 1979 was published in the OFFICIAL GAZETTE on Tuesday, 8 January, providing for urgent measures aimed at reducing the consumption of fuel oil in the sector of electrical energy production.

The following is the verbatim text of the decree law.

Article 1. ENEL [National Electric Power Agency] is obliged to return to the regions in whose territory new electrical energy generating plants are installed a sum equal to a maximum of 1.0 lira per kWh produced in each solar year by the generating plant located in the regional territory and exceeding the electrical energy requirements of the region in question for the same solar year.

The afore-mentioned payments and that provided for in Law No 393, Article 15, of 2 August 1975 may be used by the regions and communes for urbanization projects and the promotion of local activities and ecological and environmental protection in the given territory however connected with the installation and operation of the plants and even the financing of direct participation in the utilization of the availability of heat or hot water resulting from the electrical energy generating process in the plants themselves.

By decree of the minister of industry, commerce and small business, in a region in which new thermal or hydroelectric plants of any type producing energy through pumping are installed, a share of the payment provided for in Law No 393, Article 15, of 2 August 1975 may be allocated to the benefit of neighboring communes.

ENEL is also obliged to pay the communes in whose territory new electrical energy generating plants are installed a sum equal to 0.50 lira for every kWh produced by those plants in each solar year.

With this payment provisions will be made, first:

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- a) to reimburse consumers of electrical energy for domestic use residing In the communes In question to the extent of a maximum sum equal to the cost of 1,800 annual kWh of consumption;
- b) to reimburse new consumers in places other than dwellings with energy consumption up to 30 kWh operating in the territory of the communes in question with a maximum sum equal to that stipulated by the current provisions of the Interministerial Price Committee;

any remaining share will be used by the communes for the purposes given in Paragraph 2 of this article.

The terms and conditions pertaining to the payments of the amounts specified in the preceding paragraphs will be established by appropriate agreements reached by ENEL and the Ministry of Industry, Commerce and Small Business and approved by CIPE [Interministerial Committee for Economic Planning].

The same agreements may be used to establish any other relationship between ENEL and the regions or communes however connected with the installation or operation of the electrical energy generating plants.

Article 2. ENEL is authorized in every respect to construct three coalburning thermoelectric power plants with the relative departmental organizations and operating facilities in the territory of the communes of Gioia Tauro, Taranto and Bastida Pancarana, each plant having a power-generating capacity of 2,640 MW, as well as the coal-burning facility of power plants already converted or being converted to coal-fed operation, provided that the pollution restrictions specified by current regulations are respected in the operation of the plants.

For a period of 15 years from the start-up of the first section of the Gioia Tauro plant, ENEL will furnish electrical power at a kWh price equal to a set top thermal price up to a maximum of 25 percent of the power produced by that section on behalf of small-business and industrial activities carried out in Gioa Tauro's industrial zone and having a maximum installed power of 10 MW. At the suggestion of the minister of industry, commerce and small business, CIPE will determine the amount of energy to be supplied at a reduced rate, the maximum consumed energy to be given that reduction and the duration of the special rate.

The location of the construction of new power plants referred to in the first paragraph will be decided by the communes in question and ENEL within 40 days from the time this decree becomes effective; if the decision is not made by the commune within the prescribed time, the location is to be determined by CIPE which will then notify the commune in question.

The provision definitley determining the location of the power plants replaces the provisions contained in Law No 880 of 18 December 1973 as well

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as the building permit, even for possible variations in a project underway, and, if necessary, constitutes a variation in the regulatory plan or manufacturing program.

If within 180 days from the time this decree becomes effective no decision is made as to the location of coal-burning thermoelectric power plants provided for in ENEL's 10-year program, the locations will be selected by GIPE in keeping with the preceding paragraphs.

Article 3. The expiration date specified in Article 16, first paragraph, of Law No 393 of 2 August 1975 is deferred until 31 December 1982.

With this decree ENEL is authorized in every respect to build and operate three turbogas power plants in the communes of Cepagatti, San Benedetto del Tronto and Giugliano in accordance with the plans and specifications which resulted from deliberations made by CIPE on 10 October 1979, 13 December 1979 and 26 October 1978 within the scope of Article 17, last paragraph, of Law No 393 of 2 August 1975.

The present authorization supersedes the ministerial decree spelled out in Articles 18 and 19 of Law No 393 of 2 August 1975, the building concession and any other authorization for carrying out the individual projects of these power plants and any relative variations and, if necessary, constitutes a variation in the regulatory plan or manufacturing program.

Article 4. Within the scope of Article 1 of Decree No 1670 issued by the president of the republic on 15 December 1962 and subsequent modifications and additions, the approval of annual and multiannual programs planned by ENEL has the effectiveness of a declaration of a public utility as well as the urgency of projects pertaining to power lines included in such programs and, in observing the procedure given in Article 10 of Law No 1 of 3 January 1978, supersedes any other provision relative to concession or authorization.

The projects referred to in the preceding paragraph are not affected by the provisions of Item I of Title III of the single text of laws on waters and electrical installations approved by Royal Decree No 1775 of 11 December 1933.

Article 5. Within the scope of programs approved by CIPE with a decree issued by the minister of industry, commerce and small business in conjunction with the minister of public works, once the region is notified, ENEL is authorized to carry out all activities necessary in the form of direct surveys to ascertain the technical feasibility of given areas for the installation of new facilities for the production, conversion and transportation of electrical energy.

The interested parties have a right to demand a deposit to cover any possible damages incurred during the surveys.

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In case the parties do not agree on the amount of the deposit or have any other controversy, the provisions of the 3d and 4th paragraphs of Article 3 of Law No 393 of 2 August 1975 will apply.

Article 6. Licenses and building permits already granted for the construction of electrical installations are not affected by the expiration date for the completion of projects as specified in the 4th paragraph of Article 4 and the 1st paragraph of Article 18 of Law No 10 of 28 January 1977.

Article 7. However, the regulation contained in Article 8 of Law No 166 of 27 May 1975 is to cover all administrative provisions pertaining to installations.

Article 8. With the aim of developing initiatives toward achieving a more rational use and conservation of energy as well as the utilization of renewable energy sources in all end-use sectors, ENEL, according to directives issued by the minister of industry, commerce and small business, is authorized with its own organization to provide for the spread of fixed installations, systems or components compatible with the above aims and even including financial advances.

Article 9. This decree becomes effective on the day following that of its publication in the OFFICIAL GAZETTE of the Italian Republic and will be presented to the chambers for conversion into law.

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COUNTRY SECTION

ITALY

ELECTRICITY DEMAND CONTINUES TO INCREASE

Milan CORRIERE DELLA SERA in Italian 22 Jan 80 p 8

[Text] Rome--In the year that has just ended the demand for energy went from 166.8 billion in 1978 to 174.9 billion kilowatt hours, an increase of 8.1 billion (corresponding to an increase of 4.9 percent, which is higher than the +4.2 percent in 1978 and the +3.5 in 1977). ENEL [National Electric Power Agency] announced this and specified that, for the same agency, the demand for electric power went from 133.8 billion kilowatt hours in 1978 to 141.8 in 1979, a difference of 8 billion kilowatt hours, corresponding to an increase of 5.9 percent, 1 percentage point higher that that of the entire Italian electric sector (+4.9 percent).

During 1979, the rates of increase in the demand for electric power reflected the progress in industrial production which, in the first period of the year continued the expansive phase initiated in the last months of 1978, then manifested symptoms of a slowdown in the summer period, and in the last period of the year a certain trend toward recovery.

The first estimates for consumption indicate a rate of increase of 4-4.5 percent for industrial consumption and about 6-7 percent for all of the remaining sectors. With reference to the geographic zones, the highest rate of annual increase occurred in Sicily, an increase of 5.5 percent (an increase of 5.4 percent in 1978); followed by the North Central area (Northern Italy and Tuscany), with an increase of 5.2 percent (an increase of 3.8 percent in 1978); and by the South Central area, an increase of 5 percent (an increase of 5.4 percent in 1978). In Sardinia, on the other hand, in spite of consistent revival in the past 3 months of the year, the demand for electric power decreased slightly, by 1.1 percent (a decrease of 0.1 percent in 1978).

In 1979 the gross production of electric power in Italy amounted to about 180.6 billion kilowatt hours (an increase of 3.2 with respect to 1978), 48.1 billion of which from hydroelectric production (an increase of 1.5 percent with respect to 1978). The increase is to be attributed chiefly to greater hydraulicity in 1979, compared with that in 1978 (1.12 compared with 1.07) that made it possible also to store a greater

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quantity of water in the seasonal reservoirs at the end of 1979, compared with that stored at the end of 1978.

Thermoelectric output, including the geothermoelectric and nuclear (132.5 billion kilowatt hours in 1979), showed an increase of about 3.8 percent. In the utilization of fossil fuels for the production of traditional thermoelectric power, first place is still held by petroliferous products, with about 101.2 billion kilowatt hours (an increase of 2.7 percent with respect to 1978); followed by natural gas, 10.4 billion kilowatt hours (a decrease of 5.3 percent with respect to 1978). A conspicuous increase, equal to 81 percent, was recorded by production from imported coal, which went from 5.6 billion kilowatt hours in 1978 to 10.2 billion kilowatt hours in 1979. In 1979 the foreign import account for electric power was equal to about 5.4 billion kilowatt hours (2.1 in 1978).

In the single month of December 1979, the demand for electric power in Italy amounted to about 15,440 million kilowatt hours, an increase of 2.5 percent with respect to the corresponding month in 1978.

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END

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