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JPRS L/8978

17 March 1980

West Europe Report

(FOUO 12/80)



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WEST EUROPE REPORT

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COUNTRY SECTION

AUSTRIA

KREISKY DISCUSSES AFGHAN CRISIS, OTHER ISSUES

DW291325 Hamburg STERN in German 28 Feb 80 pp 78-82 DW

[Interview with Austrian Chancellor Bruno Kreisky in the latter's office in Vienna by Editors George Karp, Victor Schuller and Gerhard Krug, date of interview not given]

[Excerpts] STERN: The Austrian winter sportsmen are bringing many medals back from Lake Placid. Hearty congratulations! May Austria's Olympic participants also go to Moscow?

Kreisky: To begin with--fortunately we still have time to ponder the whole matter calmly. But I can say this much even now: The Austrian Federal Government does not have any possibility of prohibiting sportsmen from participating in a sports event. And I advocate the view that if one has a quarrel with the Soviet Union over Afghanistan, then this should be waged in the field of politics which, after all, is broad enough.

STERN: You said recently that the Austrian sportsmen should not only use their feet but also their heads.

Kreisky: Yes, each athlete should decide for themselves whether they want to go to a country or not. This applies to Argentina, to South Africa, but to the USSR as well.

STERN: Hence, a boycott of the Olympic Games is a unsuitable instrument of pressure?

Kreisky: The Olympic organizers should have thought of all that beforehand. After all, they were perfectly aware to whom they assigned the games. The current event of Afghanistan can be equated at least with what happened in Czechoslovakia in 1968 or in Hungary in 1956. After all, this did take place, this did happen, and it is naive to assume that something like that could never happen again. So they adopted the decision knowing where these Olympic Games would be held. Now all of us have to sail in the wake of an American election campaign and honestly speaking I do not feel like doing it notwithstanding all sympathy with the United States.

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STERN: What would be the main argument for you to go to Moscow after all?

Kreisky: One could ask these particularly for people who are hard to meet-- such as Sakharov, for example.

STERN: Would a 100 meter sprinter get an answer?

Kreisky: It is much more important that questions will be asked. They must know that we are interested in this. I always ask for people who have been imprisoned. In the GDR I have asked about Bahro, and just now I have asked on the Philippines about a gentleman whose name was given to me by Amnesty [International]. He was released later on. I have also protested against the execution of Bhutto in Pakistan.

STERN: Is detente in Europe being threatened by the Soviet invasion in Afghanistan?

Kreisky: Enormously. Afghanistan is an enormous burden for Europe. That conflict can very much backfire on detente, it can even make it impossible. But it must not be. There has also been detente policy at the times of the Vietnam war. If one has no illusions, disappointment will be smaller. I have experienced all kinds of things in the past 25 years, together with all the others. We have experienced the Berlin crisis, the Hungarian crisis, the Czechoslovakian crisis, the Cuban crisis. We are now experiencing the terrible conflict in Cambodia. No, I never had illusions. And I know that one cannot deny it that the Soviets pursue a certain--let us call it--power policy. One cannot deny it either with regard to the Americans. And now I must say something that will possibly result in extreme enmity....

STERN: ...Which you are not afraid of.

Kreisky: One cannot say on the one hand that the Soviet troops must leave Afghanistan while not saying on the other hand that the Israeli troops must leave the West Bank. The Israelis motivate their stay with security needs, the Russians motivate it with the same security needs. I belong to the people who believe that one cannot pursue a double-dealing policy. The same applies naturally to human rights. I have always said that human rights are indivisible. That is really a principle of mine.

STERN: You think nothing of an Olympic boycott and little of military measures. What do you think of a measure Carter has already taken, namely the reduction of wheat supplies?

Kreisky: Nothing at all. I discussed it once already with Kennedy. At that time the Soviet Union wanted to buy wheat from the Americans for gold--that was good at that time. I have warned against a boycott because Khrushchev would have said at that time: The United States does not even want to sell us wheat, it wants us to starve.

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STERN: And that is valid also today?

Kreisky: Yes, that is valid also today--despite all the sympathy for the men in Washington. Please bear the following in mind also: All supplies to the allies of the Soviet Union would have to be stopped then also. Then there would be no wheat for Poland. Do you want that? I do not know whether the GDR is buying wheat in the West.

STERN: Is not there something like a Marshall Plan a la Kreisky for the Third World?

Kreisky: If you want to name it that. I believe that presently one could interest only a few "light minded countries" for quick and efficient development aid.

STERN: So small, neutral European countries linked to rich oil countries will help poor developing countries. Is that so?

Kreisky: Yes.

STERN: What countries?

Kreisky: I cannot tell you that.

STERN: And how is that supposed to work?

Kreisky: It does not make sense to build only factories in developing countries. One must build railways. This is the way in which Europe discovered America. Irrigation systems must be built and there must be telecommunication. I want to implement a pilot project in this connection because I have not much time left.

STERN: How that? You will certainly run for candidate again in the next chancellor's elections in 1983?

Kreisky: No gentlemen, I am 69. That is enough for me.

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COUNTRY SECTION

FRANCE

MARCHAIS TRIP TO MOSCOW EXPLAINED

Paris L'ÉXPRESS in French 12 Jan 80 pp 86-87

[Article by Branko Lazitch and Jacques Roure]

[Text] "What is so surprising about a visit by the general secretary of the French Communist Party to Moscow?" In writing his editorial of 9 January, Roland Leroy, editor of L'HUMANITE, must have relished the "perverse effect" of his question. Actually, for a communist leader, the Kremlin meeting is usually a step as natural, ordinary and commonplace as a pilgrimage to Rome is for a cardinal.

But as it happens, the case of Georges Marchais is not commonplace. And Leroy, an old communist fox sanctioned by the 23rd Congress in May 1979 for having been introduced by some as its leader's challenger, is well aware of this: if there is nothing abnormal about this visit, the most amazing thing is that no Brezhnev-Marchais meeting has taken place since December 1974. The two men did not speak to each other in June 1976 at the time of the conference of European PC [Communist parties] in Berlin or in June 1977 at the time of Leonid Brezhnev's visit to Paris.

Was there a better way than by this apparently naive question to point out on the front page of L'HUMANITE--for those who read between the lines, the only way of understanding the real meaning--the two real questions being asked about Marchais: why this 5-year quarrel? And why today's meeting?

The reconciliation is even more dramatic since the Soviets have provided him with exceptional pomp: an airport reception by the elite duo of the Kremlin orthodoxy, Mikhail Souslov and Boris Ponomarev; reappearance of Brezhnev, absent from public life for several weeks; long opening sequence on Moscow television. The reconciliation also comes at a time when Moscow, involved in the Afghan bid for power, needs international support, which it conspicuously lacks, even within communist ranks. And thus at a time when every PC which prides itself on independence, as the PCF has done for 10 years, has an interest in drawing away or keeping its distance.

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The "Marchais mystery" does not date back just to yesterday. What pledge did this obscure militant make in order to begin his irresistible ascendancy to the PCF leadership in 1956 after just getting out of the party's advanced school in Moscow? What bug bit him to make him quarrel with the Kremlin beginning in 1975, a quarrel which his highest-ranking opponents escaped, such as the Italian Enrico Berlinguer and the Spaniard Santiago Carrillo, with whom relations were never broken, despite their criticism and their differences?

But if a thick fog covers this quarter-century of Georges Marchais' public life, just as it covers the previous 15 years of his private life, the clarity of the process of public reconciliation which has recently occurred is blinding. And in perfect accord with communist traditions: whoever wants to be received by the Kremlin is not received when he wants to be. Any mistake requires penance before pardon is granted.

Marchais' PCF has devoted itself to his redemption with notable zeal in recent months.

Time of Pledges

The main quarrel was eliminated beginning in September 1977. By torpedoing the joint program with the PS [Socialist Party], the PC deprived the Union of the Left of any chance of coming to power. Moscow had never approved of that prospect, believing that a liberal "middle-class" government characterized by Gaullist anti-Americanism was preferable in Paris to a leftist majority dominated by the socialists and committed to "a French path to socialism." The attitude adopted by the socialists followed by the defeat of March 1978 offered a second advantage: concerned with not giving the impression of "shifting to the right," Francois Mitterrand's friends would avoid taking any clearly anti-Soviet position until the Afghan crisis.

Beginning in 1978, the time had come for the PCF to make pledges. First there was the alinement with Moscow concerning Cambodia. The French communists fully supported the pro-Soviet, Vietnamese expansionism against the pro-Chinese Khmer Rouge.

In May 1979, there was the new view formulated by Marchais concerning the "totally positive assessment" of the Soviet regime, which had nevertheless been maligned from Prague to the Goulag. Ponomarev was given an ovation by the delegates of the 23rd Congress. There began to be talk of a visit by Marchais to Moscow.

On 9 October, the No 2 man in the PCF, Charles Fiterman, would prepare the groundwork for the Kremlin visit. Where there still differences? Did the Soviets demand a further pledge? The top-level meeting, rumored for November, still did not take place. But an emissary from the Kremlin, Vadim Zagladine, did land in Paris. Shortly afterwards, the PC launched its campaign against the installation of American missiles in Europe.

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This time, reconciliation was possible. Was the date of the visit scheduled before the Kabul power play on 27 December? It matters little. The PCF could not, without jeopardizing months of effort, condemn the attack on Afghanistan, as the Spanish and Italian PC did. "It was in anticipation of the Moscow visit that the leadership adopted the position to support the Soviet Union in the Afghan affair," two communist officials privately acknowledged. And they added: "It was also to preserve the appearance of a certain degree of independence that Marchais insisted on first making a detour through Rome."

The Italians were the first to be surprised. A meeting was expected, but not scheduled. No one thought that between his return from Cuba on Friday, 4 January, and his departure for Moscow on Monday, 7 January, that Marchais would have the time to make this side trip. The meeting, which received broad coverage on the front page of L'HUMANITE, was almost confidential in L'UNITA, its Italian counterpart. The meeting took place at Frattocchie, Togliatti's former villa 20 kilometers from Rome. In January 1979, at the time of the previous meeting, a motorcoach had taken journalists there. This time, the press service of the PCI acted as though it was unaware when and where it was being held. The very flat joint communique--23 lines, but not one about Afghanistan--spoke of a "candid dialog," which means in communist language that there was a disagreement. It was eclipsed in Rome by a strong statement of the PCI condemning the Soviet intervention, published even while Marchais and Berlinguer met. The Italian communists, it is true, have long distrusted this unpredictable comrade, as excessive in his overly sensitive nationalism as in his alignments with Moscow.

Riding the crest of a fine series of visits to all variations of communism (Belgrade, Warsaw, Havana, Rome), Marchais could then--finally!--add Moscow to his list. What is so surprising, indeed?

For the Kremlin, the advisability of this trip to Moscow, at this time, is obvious. Except for certain financial and personal pressures, which the Soviets could exert on French communists, what were Marchais' reasons for anxiously wanting a reconciliation at such a bad time?

Actually, there has been unrest in the ranks. The historian Alexandre Adler, the mayor of Sevres, a member of the Federal Bureau of Vendee added their name to a petition, along with the usual opponents. Certain party officials stressed "the total theoretical and strategic incompetence of Marchais and his lieutenants."

"We Must Choose Our Camp"

The grumbling is even louder at the CGT [General Confederation of Labor]: half of the 16 members of the Confederal Bureau, including communist Jean-Louis Moynot and Christiane Gilles, came out against a text which "whitewashed" the Soviet troops. An appeal had to be made to the executive committee (94 members), which is better controlled and in which the

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eight leaders confirmed their disapproval by abstaining. But a large majority approved. L'HUMANITE reported only this vote.

These jolts apparently do not disturb Marchais. There are probably three explanations for his calmness.

The first is international. Although denouncing the "alarmism" of Western governments, French communists seem convinced that confrontations between "socialist" and "capitalist" countries will increase. "We must therefore choose our camp," PC leaders repeat in private. Several years ago, when the Soviet Union seemed to be on the defensive or even in retreat, hesitation was possible. Today . . .

The second explanation is national. This return to unconditional solidarity with Moscow is not necessarily considered disastrous from an election standpoint. Among Marchais' associates, it is readily noted that the PC scored best when it was "in the ghetto" and suffered its most serious setbacks when it was playing the game of the leftist Union.

Finally, the third explanation derives from the party's internal situation. The tactical zigzags, political compromises, ideological shifts and disputes have shaken it. What better way of welding it together than by renewing the issues which have been responsible for its continuity and strength: antisocialism, the class struggle and solidarity with the USSR.

"This position is not a bad move," opponent Jean Rony explains. "The party is even rediscovering a certain cohesion."

Roland Leroy explained to the federal secretaries on 28 December: "To make workers doubt the PC, to make communists doubt their leadership and party line, that is the main objective of the ideological war being waged by big capital. To develop the revolutionary movement, workers need certainties."

By going to Moscow, Marchais has gone to reestablish the most compromising of those certainties.

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COUNTRY SECTION

FRANCE

NEW GENDARMERY UNIT'S MISSION: PROTECT NATION'S WEAPONS

Paris ARMEES D'AUJOURD'HUI in French Jan-Feb 80 pp 32-33

[Article by Lt Col Pierre de Maximy*: "The Weapons Gendarmerie"]

[Text] The Weapons Gendarmerie is the latest of the National Gendarmerie's specialized units. It was created in 1973.

Long before the creation of this unit, the Ministerial Delegation for Weaponry¹ had decided that a reorganization of the means at its disposal for the surveillance and protection of its establishments was necessary.

Thus, legislative and regulatory steps to guard against unwarranted intrusion in places where weapons were installed were taken, and culminated fittingly with the entrustment of the missions of surveillance and protection of weapons establishments to the National Gendarmerie.

Actually, the National Gendarmerie had already been carrying out this task with Departmental Gendarmerie units spread out over the national territory, whose general surveillance functions had included the weapons establishments.

But the situation called for greater specialization of Gendarmerie forces in regard to weapons installations, and the Ministerial Delegation for Weaponry wanted to have available, in addition to civilian personnel for the usual guard functions, a seasoned military unit able to carry out investigations as well as armed interventions on the spot.

It was to meet this need that, by decree of 16 March 1973, the Weapons Gendarmerie was created.

* A graduate of Saint-Cyr (1953-1955), an infantryman, Lt Col Pierre de Maximy became a gendarme in 1959. He served successively in the Mobile Gendarmerie, the Air Gendarmerie, the Departmental Gendarmerie, the Navy General Staff, and the Overseas Gendarmerie. He now commands the Weapons Gendarmerie. He holds a law degree.

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What are its functions, what are its means, and what is its organization? The replies to these questions will provide an understanding of this Gendarmerie unit.

One Gendarmerie, But Three Police Forces

As a specialized unit of the National Gendarmerie, "the Weapons Gendarmerie is charged with police functions in places and establishments pertaining to the Ministerial Delegation for Weaponry and participates in their protection."²

Concurrently, as an integral part of the National Gendarmerie, the Weapons Gendarmerie "assures execution of laws, decrees and administrative decisions."

These two aspects of the same mission, differentiated here for the sake of clarity, are, in practice, indissociable. If one of them were lacking, the Weapons Gendarmerie would lose its reason for being.

Thus, besides the investigation of crimes of all kinds, besides exercising the general functions of administrative police and military police, the Weapons Gendarmerie has the specific mission of policing establishments of the General Delegation for Weaponry.

This mission requires that it: supervise, in conjunction with the civilian guards of the establishments, the control of entrances and exits of persons and vehicles; provide escorts for funds and equipment; carry out security and criminal investigations within the establishments; systematically and continuously investigate reports and information in conjunction with other services operating outside the establishments and especially with the Departmental Gendarmerie; take part in the protection and defense of the establishments against attempts from within and without; perform any mission contributing to the security of the vital points constituted by the establishments, functioning therein as criminal investigative, administrative and military police, using all means at their disposal.

Modest Means, But a Significant Deterrent

Only recently created and developing rather slowly, the Weapons Gendarmerie has only a small staff.³

Its personnel is recruited within the National Gendarmerie from volunteers having at least 3 years of service in one of the Gendarmerie's other organizations.

This personnel is selected, trained and placed under military discipline.

Their status, their functions as criminal investigative police officers or agents, and their military and legal training render them more capable of action and functionally more versatile than civilian personnel.

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The lateral tie-ins that the Weapons Gendarmerie can establish place the National Gendarmerie's entire investigative capability at the practical disposal of the General Delegation for Weaponry.

It may be added that the presence of a Weapons Gendarmerie unit in an establishment has a deterrent effect that cannot be ignored, which extends beyond the boundaries of the establishment: Approaching these boundaries means not only facing the front end of a military defense capability but also exposing oneself to the control checks and criminal investigative functions the Gendarmerie is required to perform at all sites.

Its equipment is comparable to that of other Gendarmerie units of similar type. The design, maintenance and renewal of nonspecial equipment--weapons, office equipment, vehicles and so forth--are the responsibility of the General Delegation for Weaponry. Special equipment--technical equipment for criminal investigative activities, traffic police, signalization, and so forth--is the responsibility of the Gendarmerie.

A Dual Relationship

To understand the Weapons Gendarmerie's corporate organization, its dual relationship must be considered.

It is an integral component of the National Gendarmerie, assigned functionally to the general delegate for weaponry.

Consequently, the commander of the Weapons Gendarmerie reports directly to the director of gendarmerie and military law, and, for the carrying out of specific missions, to the general delegate for weaponry, to whom he is a technical adviser.

However, its personnel, regardless of where they are stationed, are under the direct authority of their hierarchic superiors in the Weapons Gendarmerie, and staff-level inspection of the unit is an assigned function of the general who heads the Inspectorate General of the National Gendarmerie.

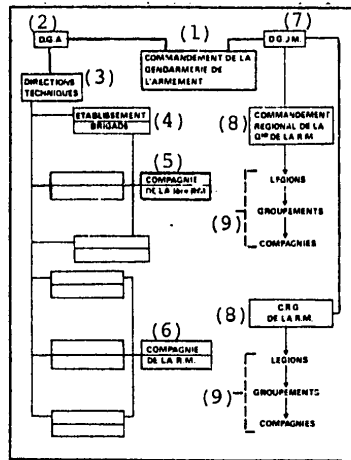
The internal organization of the Weapons Gendarmerie reflects this situation.

It is diagramed in the accompanying chart.

The heads of establishments designate the objectives to be achieved, and may in some cases specify the means to be used, but in no case may their instructions require services that are not properly functions of the Gendarmerie.

Thus, the use of Weapons Gendarmerie units by the heads of establishments must conform to the National Gendarmerie's functional code.

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Key:

1. Weapons Gendarmerie Command
2. General Directorate for Weaponry
3. Technical directorates
4. Establishment/Brigade
5. Company from 1st Military District
6. Company from Military District
7. General Directorate for Military Law
8. Gendarmerie District Command for the Military District
9. Legions, groups, companies [in descending order]

The General Delegation for Weaponry, charged by the Defense Ministry with responsibility for implementation of weapons programs, is also responsible for preserving within the nation a modern and efficient weapons industry--the measure of the nation's independence.

The Delegation's directorates oversee numerous establishments distributed throughout the national territory and employing nearly 300,000 persons.

These complex, costly and sensitive installations required special protection. The Weapons Gendarmerie takes part in providing this protection. This is its reason for being and its pride.

FOOTNOTES

1. Its current designation is General Delegation for Weaponry.
2. Except sites and installations whose "security is placed under the responsibility of the Navy or the Air Force," which have available to them for this purpose the Maritime and Air Gendarmeries respectively.
3. Its staff numbered 105 in 1973, and 112 in 1979.

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COUNTRY SECTION

FRANCE

DIRECTORATE FOR CIVIL AERONAUTICS PROGRAMS REVIEWED

Paris AIR & COSMOS in French 9 Feb 80 pp 9-10

[Text] The Directorate for Civil Aeronautics Programs [DPAC] was created on 30 March 1976 when the General Secretariat for Civil Aviation [SGAC] became a general directorate.

It was formed by merging a Subdirectorate for Aeronautical Construction Programs, which had been a part of the former SGAC's Directorate for Air Transport, with the major aeronautics program directorates (Concorde, Airbus, CFM 56), which had reported directly to the secretary general.

The aim was to achieve better functional coherence within the Ministry of Transport, which is responsible for all civil aeronautics construction matters, whether they concern commercial aviation, private aviation, helicopters or light aircraft, or whether they concern airframes, engines, equipment or research.

Article 6 of Decree 76284 of 30 March 1976, which created the DGAC [General Directorate for Civil Aviation], stipulates the functions of the DPAC: "The DPAC prepares detailed civil aeronautics research, design and construction programs, implements them and manages the budgets relative thereto."

The new organization has made it possible to strengthen the liaison between those responsible for major programs and those responsible for the rest of the sector, to render advance-planning activities more coherent, and to more clearly regroup all combinatorial activities, especially the budget and programing.

Prolongation of Successful Activities

In accordance with the government's policy on aeronautical construction, which, based on the existence in place of a modern military aeronautical industry, seeks to develop acquired technologies toward other ends, to assure highly skilled employment, and to improve our foreign trade, the DPAC has as a priority objective the long range prolongation of activities that have already achieved success or are on the verge of doing so.

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Products that have achieved a breakthrough must continually evolve in accordance with technological advances and the needs of the market. Provision must therefore be made for their constant adaptation, to promote the branching out that is indispensable for maximum profitability over the longest period of time. This demands tenacity and follow-through, and the DPAC is determined to provide maximum possible support to those industrialists who, through their own dynamism and ability, have succeeded in capturing a place on the international scene.

In particular, the Airbus and the CFM 56, the two major civil aviation programs, have opened noteworthy long range employment and export prospects.

Everything must be done, therefore, to support these product lines.

The new organizational structure facilitated the decision-making that went into the launching of the A 310 version of the Airbus in 1978, and the establishment of a policy supporting the equipment manufacturers who were able to earn a choice spot in the future of this plane.

New derivatives of the Airbus are already being designed with government aid.

The CFM 56, for its part, has entirely fulfilled the hopes placed in it in the early 1970's, with the decision by many companies to replace the engines in their DC 8's with the CFM 56, and the recent one by the American Air Force to equip their KC 135 supply plane with it.

To extend these successes, progressive improvements to the basic motor are already being planned with a view to maintaining its long-term competitiveness, and a scaled-down derivative of it is already being planned to equip or re-equip planes having seating capacities of 120-130 passengers.

While these two programs, because of their vast potential for spin-offs of all kinds, are being given the highest priority, support of sectors that long ago succeeded is in no way being neglected.

This is the case of private planes, the most recent of which, the Falcon 50, has received significant government support, and of the civilian-helicopter sector, which, because of the preeminent position occupied by our industry, is being diligently safeguarded.

The overall results of this policy, the seeds of which were germinated some 10 years ago and which has since then been nurtured by progressive adoption of the necessary accompanying measures to bring it to fruition, are measurable in terms of its operative impact on our balance of payments.

Thus, civil aeronautical construction, which was in the red in 1975, accounted in 1979, through deliveries made in the course of that year, for a net surplus of more than 2 billion francs in our foreign trade balance-- a surplus that will grow to more than 8 billion (1979) francs in 1983.

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Openness to Innovation

To secure the long-term future, the DPAC makes it a standing rule to pursue diligently and without a priori the prospects opened by new technologies, as well as new projects which may in some cases be based on profound innovations.

To this end, it has facilitated developmental exploration projects (aeronautics, composite-materials structures, and so forth) bridging the crucial gap between research and development properly speaking.

It is providing full support to the exploratory studies being carried out by the SNIAS [National Aerospace Industrial Company] on future planes based on the concepts disclosed by Airbus Industrie and approved by the prime minister at the last Bourget Air Show (narrow-bodied planes seating 130-160 passengers, a larger-scale version of the Airbus, and a long-haul Airbus).

Its aid is not always crowned with success. Thus, it supported the effort deployed around the helicostat [a type of helicopter stabilized by a streamlined balloon] in an attempt to resolve the troublesome problem of unloading timber in zones of difficult access. Although this effort has been discontinued, the studies carried out served to clarify the nature of the difficulties that have to be resolved.

This illustrates the importance of a policy of soundings that can be carried out at low cost levels and that enable the timely phasing out of a program as soon as the requisite studies show that it probably cannot be undertaken with a reasonable chance of success.

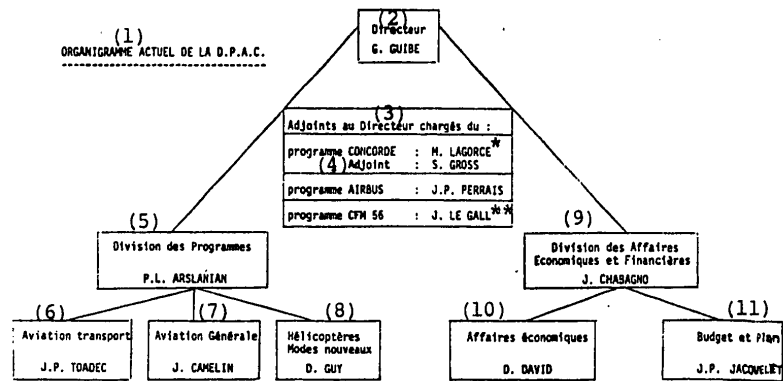
The support currently being provided to the study of a rotary-plug motor, which could bring about a minor revolution in the field of light aviation, is based on an exploratory enterprise of this kind, with no assurance as yet as to its future outcome.

It is from this same standpoint that the DPAC is participating in the technical vigil being maintained by the SNIAS and the SNECMA [National Aviation Engine Design and Construction Company] over the future of supersonic transport, so as not to be caught unawares should an opportunity arise in time, within the framework of an enlarged international cooperation, for a second-generation plane.

The DPAC: A Small Organization Dedicated to Promoting and Synthesizing

To carry out its missions, the DPAC has progressively and intentionally organized itself as a light centralized administrative structure, avoiding duplication of functions, taking into account the existence of structures in other ministerial departments that are already working on aeronautical matters.

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* Mr. Lagorce is also responsible to the director general of civil aviation for environmental problems and for export and foreign operations matters. In the latter function, he is assisted by S. Gross.

** J. le Gall is also responsible to the director of the DGAC for various assignments (bi-CFM 56 planes, large subsonic engines, etc.)

Key:

1. Current DPAC Organization Chart
2. Director
3. Deputy directors for: [programs as shown]
4. Deputy
5. Programs Division
6. Transport Aviation
7. General Aviation
8. Helicopters - New Applications
9. Economic and Financial Affairs
10. Economic Affairs
11. Budget and Plan

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In particular, the Technical Directorate for Aeronautical Construction provides it with invaluable assistance on the technical and industrial aspects of every program or project, as much on the part of the technical and industrial directors assigned to the two major programs (Concorde, Airbus) as on that of the engineers in the technical services (STPA [expansion unknown] and STPE [Technical Service for Propellants and Explosives]), each from the viewpoint of his own specialty.

The DPAC employs, at the moment, in addition to its administrative personnel, a staff of 15 engineers and one administrative officer, the engineer staff being:

--five weapons engineers;

--seven civil aviation engineers;

--three civil aviation operations and design studies engineers.

It is planned to increase the DPAC staff by a few additions to the Programs Division.

The DPAC's budget covers practically nothing beyond capital expenditures totaling around 1.2 billion francs, consisting of over 75 percent of the credits of this type allocated to the DGAC and 12.5 percent of those allocated to the Ministry of Transport (1979).

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COUNTRY SECTION

FRANCE

BRIEFS

RELATIONS WITH YUGOSLAVIA--Yugoslav authorities have told [Foreign Affairs Minister] Jean Francois-Poncet that continued good relations between Paris and Belgrade depend upon the French keeping a closer watch over Yugoslav immigrants. [Text] [Paris PARIS MATCH in French 29 Feb 80 p 72]

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COUNTRY SECTION

ITALY

COSSIGA'S FOREIGN POLICY CRITICIZED

Milan PANORAMA in Italian 28 Jan 80 pp 40-41

[Article by Carlo Rossella: "Hat in Hand"]

[Text] At the Ministry of Foreign Affairs, Gianni Baget Bozzo's remark made desks tremble. "Italy is the Bulgaria of NATO" wrote the Catholic political analyst in La Repubblica. That is to say: a faithful ally, now incapable of separating its own opinions from those of the dominating superpower.

In a long essay on "Thirty Years of Christian Democratic Foreign Policy," which will be published in the next issue of MONDOPERAIO, the ideological magazine of the Italian Socialist Party (PSI), Bino Olivi wrote: "No country of the Atlantic Alliance has shown itself more ready to accept the hegemonic ally's theses (...). In short, Italian credibility, because of this, has been greatly damaged."

Along with Baget Bozzo and Bino Olivi's criticisms are many others aimed at the foreign policy of the tripartite government of Francesco Cossiga, his ex-minister of foreign affairs and Fanfani supporter Franco Maria Malfatti, who because of a heart ailment was replaced on 14 January by the Dorotei leader Attilio Ruffini. The list is long but significant. Following the discussion on the deployment in Italy of the Pershing II and cruise missiles, Cossiga promised Christian Democratic Party [DC] Senator Luigi Granelli he would go to the Soviet Union to analyze the issue of bilateral weapons reductions with Leonid Brezhnev. However, Cossiga was very careful not to initiate any substantive talks. Because of Cossiga's direct intervention in the matter, Italy has declared a military sales embargo on Iran. (Tehran's Ministry of Defense has been requesting spare parts for 250 Agusta helicopters for months): this risks the loss of 3 billion dollars invested in Persia, thus threatening further reductions in deliveries of Iranian crude oil.

The situation with other Arab states has also worsened. Italy is risking a crisis with Iraq: the Baghdad government has been refused a delivery of materials needed for the production of the atomic bomb, a project the Iraqis have been working on for a number of years. Furthermore, in recent

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weeks, following the Red Army intervention in Afghanistan, the Italian government has done all it could to cancel out years of excellent economic relations with the Soviet Union. (Italy in fact, since 1979 has been one of Moscow's principal trading partners). The visit by an important Soviet government economic delegation was canceled (and the French, who immediately welcomed the delegation, have gained by making profitable deals with them). While Helmut Schmidt, the German chancellor, in the middle of the Afghan crisis, was confirming Brezhnev's visit in March and hammering away at the necessity for detente and Ostpolitik, Italy agreeably sided with the Americans, closed its ports to Soviet vessels, and even reached the point of sharing in the insane plan for boycotting the Olympics in Moscow. Even at the Council of Ministers of the EEC, Italy meekly supported Jimmy Carter's new anti-detente doctrine, forgetting all the theories of a European autonomous role, even ignoring the astute nuances of the French and the German Social Democrats, who are not at all disposed to confuse politics with economics and not at all inclined to unload on Europe's shoulders all the politico-military tensions between the two superpowers. Even the "agenda" of Francesco Cossiga's upcoming trip to Washington allows room for doubts, uncertainties and preoccupations regarding Italy's national autonomy. Then, there is the point reserved for "future relations" and the "future majorities in government"; this involves, as is obvious, a question which Valery Giscard d'Estaing or Helmut Schmidt would unquestionably not submit for approval from the White House. "Reinforcing the bonds of friendship with the United States," as former Minister of Foreign Affairs Arnaldo Forlani told the Chamber, has become, for some months, the political objective of the Christian Democratic Party of its allies in the government, and of President of the Council [of Ministers] Francesco Cossiga, a politician the American ambassador Richard Gardner, in his year-end report defined as "a great friend."

That autonomous role in the Mediterranean and in Africa built up so laboriously by the foreign policy of Amintore Fanfani and Aldo Moro has been lost. (For 9 years the minister of foreign affairs has not visited Algeria, a country which is to provide us with 8 billion cubic meters of fuel by constructing a new gas pipeline.) The privileged relations with socialist countries have chilled, and Italy is destined to play an inadequate international role vis-a-vis its economic, political and cultural reality. The present Christian Democratic leaders focus more on domestic than on foreign policy, trying to avoid causing waves with moderates and conservatives by embarking on open-minded international initiatives, and as Luciano Vasconi, specialist in foreign policy and deputy director of MONDOPERAI0 said, "they are characterized by a quick-change international behavior, conditioned by home politics, and lacking a general, European view."

With murkier and more cautious statements, former Undersecretary for Foreign Affairs, orthodox Christian Democrat Angelo Sanza admits to the influence of the Italian internal situation on the government's international policy. Said Sanza: "National policy, searching for a different relationship with the communists, brings about a certain international

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caution and leads to choices which are more pro-West than one might originally desire. The Social Democracies can allow themselves to be more critical than can Italy. We are preoccupied with the fact that a policy critical of and autonomous from the United States, could favor, in the eyes of the Americans, the communists." Following the 1979 political elections and despite repeated criticisms by Berlinguer of the USSR, the Americans have requested from the Italian government greater international solidarity, and, in practice, the setting aside of a too independent foreign policy of Giulio Andreotti's majority national unity government.

With pressures from Washington, coupled with the cautious mood of the Cossiga government, it will be very difficult for Italy to exploit to its advantage and to the advantage of an autonomous European policy the president's seat on the EEC Council of Ministers. During the upcoming bilateral meeting at the White House, Jimmy Carter and Zbigniew Brzezinski, national security advisor to the president, will ask our country to be a "watchdog" for American interests in Brussels. As Brzezinski has already allowed to be understood in his interview with the WALL STREET JOURNAL, the American government is relying on the unity of the allied front to meet and withstand the USSR's challenge. From this point of view, Italy in the position of presidency of the EEC Council of Ministers, will be able to mediate only in favor of Washington. The new role of "faithful U.S. ally" is the comfortable position many major bureaucrats at the Farnesina Palace had been awaiting for a long time. In a ministry by tradition feudally inbred with the most conservative DC section (even though Secretary General Francesco Malfatti, baron of Montetretto, is a dear friend of Bettino Craxi), the reappearance of bipolarism a la 1950 favors even more the notable strength of the traditionalists and obliterates those renewal exigencies which have remained alive despite the ruthless witch hunt of the last 7 months. As is written in the CGIL-Farnesina [Italian General Confederation of Labor-Farnesina Section] leaflets, beside a governmental decline of foreign policy, the minister of foreign affairs "has experienced a regressive phenomenon of bureaucratization." According to the CGIL and to many young diplomats, the state of stupor of the Ministry of Foreign Affairs is due to several internal factors, many quite disquieting, in addition to the Cossiga government. First among others is the discrimination of the so-called leftist functionaries, affected by the "promotion jump" system and the yearly efficiency reports. In 1979 more than 50 CGIL associated functionaries were punished by the former head of the personnel department, presently the ambassador to Bonn, Luigi Vittorio Ferraris. The internal repression, together with the absurd norms of Article 148, which forbids diplomats the right to free expression of their opinions, favor the creation of an out and out separate body, free from any political control and resistant to any innovative projects. (The Foreign Commission of both the Chamber of Deputies and the Senate have never questioned prospective ambassadors to hear their evaluations and programs, as takes place, for example, in the United States). Only in this manner can the ministry's reform, which never came about, be explained, for the ministry has remained exactly the same since the end of the war, and is the only one among modern

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countries not to be divided by geographical areas of competence, not producing real specialists but rather classic jacks-of-all-trades Italian style. For example, in the period of 10 years, an Italian diplomat may be tasked to be the commercial attache in New Zealand, the consul in Stuttgart, the counsellor in charge of internal affairs in Warsaw, and, once back home, the functionary who reads reports on Arabic countries dealing with petroleum products. The same confusion between political cooperation of the ministry's activities (the responsibility of the council president and the minister of foreign affairs) and its administrative coordination (the responsibility of the bureaucratic structure) leads to confusion over tasks and roles and to a dangerous discharging of responsibilities between diplomats and politicians which certainly do not contribute to a clear foreign policy. A symbolic figure which characterizes the situation of the ministry is that of the secretary general, who is powerful with weak ministers (as Malfatti was with his namesake, the other Malfatti), and weak with strong ministers (during Fanfani's and Moro's tenures, Roberto Gaja was of little consequence). In the opinion of the CGIL, the position of secretary general should be substituted by a college body composed of undersecretaries, heads of general departments and of other operational units. But the hopes of the CGIL and the Farnesina progressives have scant probability of success. Unless, as if by miracle, Minister Ruffini might initiate the ministry's reorganization and the revitalization of the moribund Italian foreign policy. "At the Ministry of Defense, Ruffini clashed with the generals," say his Dorotei friends at Piazza Del Gesu; "at the Farnesina he certainly wouldn't be drowned out by all the hats." Hit number one: on 17 January, Ruffini only half finished the debate on the Europarliament and left Strasburg, despite the pleas of ministry functionaries.

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COUNTRY SECTION

ITALY

LABOR MINISTER PROPOSES PACT WITH PCI, UNIONS, CONFINDUSTRIA

Milan IL MONDO in Italian 8 Feb 80 pp 14-16

[Interview with Vincenzo Scotti, Christian Democrat and labor minister, by Maurizio De Luca: "Three-Way Pact Proposed"; date and place of interview not given]

[Text] The agreement with the PCI is not ended. The unions and Confindustria must be brought in in order to avoid repeating the errors of 1978. What is the first step?

The appointment is for the end of February, not long after the DC [Christian Democratic Party] congress. Then all the parties will begin discussion what is to be done to find new political solutions to replace the uncertain majority that has thus far supported the government led by Francesco Cossiga. But will the parties discuss things concretely? And, at least as concerns the steps to be taken in economic matters, how will this debate fit in with the negotiations that are still going on between the government and the unions? And what chance of success does such an enlarged debate have? IL MONDO talked about these things with the minister of Labor, Christian Democrat Vincenzo Scotti, who supports within his party a policy of open debate with the PCI.

[Question] It is increasingly difficult for an outsider to understand what is happening to the economy on the labor scene.

[Answer] I know, I know. Actually, there is a risk of looking at things in the wrong way. There is a lot of talk about distributing and redistributing incomes without any concern for how much they may increase and what must be done to insure even modest progress.

[Question] Be more specific.

[Answer] We have to change our starting point. We must not seek small, unstable agreements that give advantages to corporate positions or solutions to small problems. Rather we are confronted with the problem of the relationship between the costs of production, competitiveness, inflation, employment, and development. And we confront the problem with the concern that there be

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no reduction in real wages, and also with the purpose of eliminating the acceleration of inflation and of improving competitiveness.

[Question] An ambitious program.

[Answer] Yes, but indispensable. I would call it a pact for development. I mean it is necessary to make a pact that has the objective of increased investment, consolidation of the lagging productive structure of the country, and increased employment. To this end we must work toward a drastic reduction in inflation and greater competitiveness.

[Question] And how do you go about defining such a pact? With whom? And when?

[Answer] Let's take those questions in order. Even I realize that such a pact cannot be a short-term one. Indeed. It also requires serious agreement on the sacrifices to be made to reach the proposed objective: development. I think the pact should be basically a firm understanding among political and social groups and should have adequate force and duration.

[Question] Just a minute. Let's take a look at the political aspects of it. Who makes a pact of this type? The Cossiga government?

[Answer] This is a very delicate subject. I don't think the Cossiga government can achieve a development pact as I understand it. If an agreement is reached, it will imply, I would say automatically, the formation of a different majority, a fuller one. Now, the government of which I am presently a member might possibly help achieve this pact. Besides, it has already brought up certain themes and avoided a confrontation between the government, unions, and political groups, a confrontation that would have been limited merely to problems of redistributing incomes. It has forced everybody to raise their sights and to move, I think, toward a solution that will inevitably supersede the present formula.

[Question] In other words you think the agreement contributes to national unity.

[Answer] Certainly, in that there would have to be a different government to achieve the pact for development.

[Question] But how do you think the pact can be achieved? How does it work?

[Answer] I'll try to be specific. I am convinced that the parties are fooling themselves if they think they can reach a political agreement on national unity if they haven't confronted the unions and Confindustria directly on development problems. This was one of the mistakes of 1978, when people thought that the mere fact that the PCI was in the majority coalition the problem of relations with the union movement, i.e. the definition of a pact, had been shoved aside. It was a mistake. Of course, reaching a majority coalition agreement with the PCI is an important fact, a fact of no small importance indeed, but it is not enough. I think it is necessary, then, first to indicate the terms of a development pact and then to set about managing and implementing it coherently. A new relationship with the PCI

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must begin with a critical analysis of the 1978 experience and the goal of unity, otherwise we will fall back into a situation that will inevitably lead to the same negative developments we have now. And there's another mistake I think we ought to avoid.

[Question] What's that?

[Answer] Tying national unity to a temporary economic emergency, which works more on effects than on causes. The emergency is not in the effects, which can be alleviated by any number of means, but in the structural causes of the country's development. For example, in phases of rapid growth Italy has always underestimated the problem of the material basis for development by giving first priority to the corporate protection of employment and incomes. The result has been to penalize investment and employment by increasing the area of marginality. This has jeopardized the future.

[Question] Before considering the substance of the pact, tell us how the negotiations should be handled.

[Answer] Of course I'm hypothesizing. I think an early three-cornered meeting should take place between the political groups, the unions, and Confindustria. And the timing shouldn't be bad. The three union leaders have already said they are ready to make an agreement of this sort. And Pierre Carniti has publicly said he is aware of the problem of reinvestment and productivity. I think the unions would have to reconsider realistically each of their sacred cows, like wage indexing.

[Question] And then what should the parties do?

[Answer] I think they should seek common interests and reach a proposal for forming a government. I would then expect the Council president and the ministers to define and manage it. It is certain that an agreement between the political parties should be checked out first with the unions and management. Not to do so would be to make a basic mistake all over again. Some people even in my own party think that only the political parties can decide, but this is not possible. They respect the primacy of politics, but they are ignoring, in the last analysis, the concrete facts of the country's civil and economic life.

[Question] But what should the parties, unions, and employers talk about, exactly? In other words, what should be in the development pact, as you call it?

[Answer] Let me say this first. We all know the argument about a two-track policy, i.e. whether it is more or less possible to have benefits and sacrifices at the same time. We all know that international change (increases in raw materials and energy sources) have imposed a real adjustment on our domestic policy that cannot be made at the expense of investment, as has been the case. The pact should now be made on ending sacrifices. These are the conditions for meeting stable growth objectives. To this end, for example, I have always opposed in the government taking any unilateral measures concerning wage indexing; it was a passing notion anyway because no parliamentary majority could have been gotten together to approve it, not because

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the problems of indexing are not problems but because the political signals of such an operation would have contrasted with the possibility of achieving a true development pact.

[Question] O.K., but what is the development pact? What does it consist of?

[Answer] I'm getting there. First of all, let's agree on the nature of the Italian crisis. It is said to be structural. Let us agree on ways of eliminating these structural causes. The pact's objective cannot be, for example, to reduce inflation alone and by itself, although this is of course one of the fundamental reasons for which the pact should work. The objective ought to be an increase in investment, general income, and employment. It is a new quality of development. Do I make myself clear?

[Question] Yes, of course. But what does the pact contain?

[Answer] Let us consider the nature of the crisis itself. Now, there is a wrong way of perceiving and interpreting it: it is to limit it to its contingent aspects. Let me explain. There is generally a large difference between what most people see and the publicly acknowledged seriousness of the crisis. This can be explained by the fact that the crisis is not having an immediate impact on the level of consumption and well-being of the majority of the population. Mechanisms that protect workers and their incomes are functioning, even in a crisis. But at whose expense? That's the point.

[Question] What do you mean?

[Answer] This happens at the expense of investment, as I have said, of jobs--especially future ones, and at the cost of increasing inflation. Here we should mention a few dates: net investment in 1973-79 dropped 4 points with respect to national income, and yet the measurement is based on a rather low figure: 11.6. At the same time, the rigidity introduced into the organization of labor created a situation...

[Question] What rigidity are you talking about?

[Answer] Rigidity in terms of internal and external mobility, in the use of extra workers, in the crushing of professionalism and the like. Now, these symptoms of rigidity made the situation more dramatic. There was a deep split between an area including agriculture, many service activities, small industry, and what in one way or another keeps competition sufficiently flexible, between that and large industry, which does not compete, has no margins for self-financing investment, and cannot invest with money being lent at such high rates. In practice, they have lower productivity than their competitors abroad, as in the case of the automobile, where they are losing domestic sales and are not covering losses abroad by keeping prices low abroad. Consequently there is pressure for devaluation and an alteration in the rate of exchange.

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[Question] Therefore there is less investment, more inflation, and large industry loses the race...

[Answer] Those, I think, are the conditions of the crisis in Italy, although I have stated them a little simplistically. The pact for development must remove them.

[Question] But it is still not clear how it will do so.

[Answer] I'll explain. I think the way leads through a reduction in the rate of inflation, an increase in competitiveness based on a higher level of productivity with a rise in economic growth rate, and an increase in the rate of investment. Now, there is a series of mechanisms (wage and tax dynamics, and the like) that are counterproductive: they increase inflationary forces and the costs of production, but net wages increase modestly, with a flattening that is detrimental to every recognized professional value.

[Question] That is analysis. What are the remedies?

[Answer] I'm coming to that. First, I would like to bring up another fact, which I think is illuminating: as an effect of existing mechanisms, an increase in the monthly cost of labor in Italy of, say, 5 percent means that labor would get a net increase of 1.1 percent. This is an almost incredible disproportion. In that situation, everybody defends their own protective mechanisms with the consequence that the perverse effects are not eliminated. Only the amount intended for investment goes down. The government feels the effects less: the deficit in public financing is not becoming flagrant because the government, paradoxically, gains from inflation by seeing its tax income increase disproportionately and make it easier to meet current expenses; but the workers, despite continual demands, are not improving their real incomes.

[Question] Yes, but what steps should be taken?

[Answer] The pact for development should have the objective of correcting all these perverse effects. Briefly, it could avoid a dispute over the principles of the mechanisms by modifying their effects, and, without touching what now goes into the workers' paychecks, it could reduce the strong inflationary push by diminishing the costs of production and making increased competition possible. The positive effects would be not only to reduce inflation but also to increase incomes and investment. It is obvious that an effective agreement is needed to increase productivity and workmanship. But there are ways of going about it. In fact, a series of studies we have made show it is possible to meet the objectives I have indicated.

[Question] But at whose expense?

[Answer] I must say that the objection that the unions could raise at this point would be guarantees on investment. In other words, control problems might arise. Now, I say that an alibi could be taken away from businessmen, i.e. that perverse mechanisms have been undermining their investment resources.

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Well, no. At this point the challenge could become concrete: once the conditions for reinvestment are created, it should not be lacking. And it can be controlled.

[Question] But how?

[Answer] The means are there. By a particular tax treatment according to use, which distinguishes between what has been reinvested and the rest, by the creation of contractual savings intended possibly for a fund with union participation (which exists, moreover, in other European countries and is called participation in capital formation), and by agreements on the prices set by big business. No, the means are there. Look, to achieve this we must agree to modify the perverse effects of the mechanisms that now prevail, and meet the problems of capital formation and productivity with something more than words. The agreement can happen. It can be done.

[Question] And what if it isn't, after all?

[Answer] I think if the pact is not made, a condition would result where, to avoid a complete collapse, authoritarian measures would have to be taken, of the kind that were taken in 1976, but on a much larger scale. In other words, forceful measures. There would be enforced sacrifices. There would not be any more choice.

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COUNTRY SECTION

ITALY

POLEMICS ON MILITARY 'COUNSELING' TO PCI ON ITS DEFENSE 'PLATFORM'

Milan CORRIERE DELLA SERA in Italian 20 Feb 80 p 7

[Article by Gianfranco Ballardini: "Dispute on Military 'Counseling' to PCI"]

[Text] Rome--Can a military person be the consultant to a political party on defense issues? At first glance, it would seem not. However, according to the rules and regulations currently in effect, a function of this kind is not only possible but lawful. The question arose following a press conference held 1 week ago by the PCI [Italian Communist Party] to unveil the party "platform" on defense issues.

A press release was distributed at the party headquarters containing the statement that the position adopted by the PCI parliamentary group had been worked out with the "assistance of democratic military personnel." This vexed the Defense General Staff. We were told by a high-ranking officer, "Under current rules and regulations on discipline, a military person may join a political party but cannot be a militant. In particular, a military person may not provide counsel to a political party on military matters." Otherwise--our interlocutor added--where would it all end?

In a letter to CORRIERE DELLA SERA, Arnaldo Baracetti, head of the Chamber of Deputies Defense Committee's communist group, specified more exactly the limits of the "counseling" provided by the military to his party. Baracetti's letter explains that under the basic law on military discipline (passed in July 1978 by Parliament), the military citizen has the right to join a political party and, outside the barracks and out of uniform, may take part as a militant in the political and military activities of a political party.

"Within this right," Baracetti wrote, "the military citizens, like all the other citizens, have been invited to and have participated in innumerable assemblies held more or less throughout Italy by communist parliamentary groups and by the PCI to discuss and criticize our policy toward the armed forces as well as the more general issues of public health, taxation, fair rental, and so forth. Therein lies the nature of the "participation" in the determination of our policy by the military citizenry as well, a "participation" the PCI holds to be its duty and its right to solicit, as should all democratic parties."

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Baracetti states that on the other hand, the delegates elected within "military organizations" are not permitted contact with political parties, to avoid the risk of involving the armed forces in "party and ideological contentions."

In sum, may or may not a military person be a consultant to a political party? According to Baracetti: yes. According to Defense Ministry experts: no. The pertinent legislation is ambiguous, however. The government's bill on the "basic principles of military discipline" had included a provision forbidding career military persons to join political parties. This provision was subsequently struck in Parliament. And today, the first paragraph of Article 6 of the law passed in July 1978 establishes that "the armed forces must under all circumstances abstain from taking part in political contentions."

The former 1965 regulation on military discipline did not forbid membership in a political party or trade union; but in the past, very few career military persons have availed themselves of this right. When Parliament debated the new law on military discipline, the communists fought tooth and nail to allow the military to join a political party: The PCI today has 4,000 members throughout the regular armed forces.

While the current law on military discipline allows the career military to join a political party, it forbids their joining a trade union. Thus, a military person may be a consultant to the PCI on defense issues, but he may not, for example, join SUNIA, the tenants' union.

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COUNTRY SECTION

ITALY

PCI ASKS VOTERS' OPINIONS FOR ADMINISTRATIVE ELECTIONS

Milan IL CORRIERE DELLA SERA in Italian 24 Feb 80 pp 1, 17

[Interview with Armando Cossutta, PCI's local politics expert, by Fausto Ibba]

[Text] PCI does some pre-election polling: "What do you think of the mayor you've got?" Showdown between left-leaning regions and the DC. Interview with Cossutta.

Rome -- "You know that the Christian Democrats have not provided Campania with a stable regional government, and that their crises have paralyzed the region for 30 months now?" "Everybody says that agriculture is in trouble in the Marches: do you know that the region has 41 billion lire lying idle in its coffers?" "Did you know that the leftist coalition in Taranto has built 14 daycare centers, and that until 1976 there wasn't even one?" "Which officeholders would you like to see struck from the slate at the next administrative election in Sanza, and why?"

These are questions culled at random from the questionnaires the Communist Party will be handing out to voters in advance of the coming regional, provincial, and local elections. Citizens will be asked to speak out on the political attitudes, platforms, and decisions of PCI candidates. This is an unprecedented undertaking, a mass survey of voter opinion scheduled to begin about now. What features will it have? What are its objectives? We asked Comrade Armando Cossutta, who heads the Local Autonomies Department of the PCI's executive.

[Question] The most striking innovation has to do with the way the communist slates are being assembled. Citizens will be able to suggest candidates' names to the Party. There has even been talk of "primary elections." Some people see this as an attempt to import an idea from the American electoral system, which is

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hardly noted for its participatory record, if half the eligible voters don't vote, even for the president.

[Answer] Yes, we have in fact spoken of a "kind of primary election," not just for the sake of importing procedures that do not meet our needs or fit our traditions, but to underscore our plan to introduce something really new in the selection of candidates. We feel a need to strengthen the confidence that should exist between citizens and their institutions, between the voters and their Party. The approach we have chosen seemed to be the likeliest to fit in with the times. It was indispensable to test a more open method to keep the Party organizations from shutting themselves up into routine, a pattern whose limitations we have all felt.

[Question] Isn't there a risk that the very idea of participation will lose credibility if there is not an efficient democratic government, with points of reference and responsibilities clearly defined for the citizens?

[Answer] There are difficulties because in some cases democratic participation has been confined solely to the neighborhood councils, where they talk over such things as the budget and manufacturing schedules. But the councils were to have been the organizers of far broader participation. They were to keep the people informed, on a regular basis. They have not always done so. Citizens feel that they are involved in a participatory relationship if they are made truly capable of forming opinions and contributing to the decision-making. Although on a very limited scale, the communists have been making an effort in this direction ever since 1975. With election day coming, we want to crown this effort by asking, first of all, for opinions on what the administration has been doing, and secondly for suggestions as to solutions for our most pressing problems. We want to put our programs for the eighties in the regions and in the communes together with the people's help. And with the people, we want to pick the people best suited to put the programs into action.

[Question] But isn't this pre-election survey to be used mainly to evaluate the work of the leftist coalitions, and to assess their records?

[Answer] Of course we want to make a serious reckoning, not an acritical one, of our activities. You might say, putting it very simply, that there are three key points that distinguish our actions in government, what we call the "new way of governing": 1. honesty and administrative propriety, meaning an end to corruption and to patronage machines; 2. a change of direction that has given top priority to public and social services

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to improve citizens' living conditions: classrooms, pre-schools, daycare centers, counsellors, help for the neediest, for small children and the aged, providing new green spaces, et cetera; and 3. a drive toward patterns of participation and hence a remarkable flowering of cultural undertakings designed for the young people in particular.

[Question] Could you give me a couple of significant examples?

[Answer] There are lots of examples, and we have been shy of talking about them. Just take the Commune of Naples: that will do. It has built 75 more classrooms than were built in all the last 50 years. What about the Emilia Region? In one 5-year period it has built twice as many nursery schools as all eight of the southern regions run by the Christian Democrats put together.

[Question] In the past, it has been said that Red Emilia was siphoning off government financing that could have been diverted to the Mezzogiorno. There is clearly a trace of anti-southern bias in that policy. Could such an argument stand up today?

[Answer] It is a charge that has been proved baseless. The point is a different one. While Emilia -- all six regions with leftist governments -- in the field of social services do not have one lira left of their budget appropriations, meaning that they have invested every farthing the state made available to them, the regions with DC administrations have spent around 2000 billion lire, and I am talking only of social services.

[Question] Maybe in the Mezzogiorno for reasons we might call, say, "structural," it is harder to get the spending machinery working?

[Answer] That's not it. Yes, there is scant spending capacity, and inefficiency in the administrative machinery. But this fact cannot explain some of the things that have happened. There was in fact a political choice made there, which bowed to the interests of the dominant forces. Social consumption was slowed, while private consumption was encouraged. The regions did not transfer the sums to the communes, or sometimes the sums were transferred but not utilized. Concerned with improving the quality of life for local populations, we decided at the same time to do something toward modifying the prevailing national attitudes. I want to emphasize this aspect. The crisis in this country is not solely economic. The hospitals don't work; housing is not to be found; the schools do not respond to the new requirements. We have galloping inflation, and yet in 1979 Italy was second only to Japan in the rate of increase in production and income. We have never considered

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the effort we have put forth in the field of social services inconsistent with the need for a rigorous economic policy, which must of course be rooted in the growth of economic activity achieved in other ways. In 1979 we experienced a 50 percent increase in private consumption, and only 2-percent growth in public consumption -- meaning construction of hospitals, housing, schools, transport, etc. We believe that this disparity must be reduced. That is the national standard for our administrative efforts. This is why we opposed the government decree that would have cut appropriations for the communes by 80 percent, and succeeded in changing it. And we are fighting now for a bill that would reform local governments. No program of national planning is conceivable without the independent support and input of the regions, on their participation in the development of guidelines and intervention plans.

[Question] And so we are starting to gather citizen views on programs and candidates. But we still don't know when the elections will take place.

[Answer] It is vital that the government set the date of the elections as early as possible. They must be held, according to law, on one of the four Sundays prior to the expiration of the term, which means prior to 15 June. So our survey is not premature: quite the contrary. This is a crucial phase, a time when citizens can think clearly about the real issues, about the record of achievement, and about what ought to be done.

[Question] Isn't there a risk, though, with this questionnaire, of salving our consciences with a little sociology? What does it mean to ask -- as you do in the questionnaire of a southern citizen -- who is to blame for the crisis, and then give him a choice of six answers: the government's, the parties', the Americans', the terrorists', the bosses', the unions'? This looks to me not so much like a call for clear thinking as an invitation to oversimplify the issues.

[Answer] Our intention is to thrust the Party into a real dialogue with the citizens. We shall carry the questionnaire from door to door as a guide for opening discussion and eliciting opinions. Yes, it is true that in framing the questions we may have erred on the side of oversimplification now and again. But this is the first experiment we have ever made on a nationwide basis. Our ties with the masses and the strength of our Party organization enable us at once to talk personally with the greatest possible number of voters. Now is the time when opinions are being formed.

[Question] In the last political elections we suffered a net loss of votes. That fact may lead to pessimism.

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[Answer] We must look forward with confidence to the coming campaign battle. There are in fact very profound differences in the situation by comparison with 3 June 1979. The main ones, I think, are two. First: we are in a better position than we were on 3 June to display the tangible results of our work in government. I don't mean that we have managed to do everything that was necessary: we may not even have done everything that was possible. And yet, despite the pervasive crisis and the woeful record of misgovernment we inherited, there is no question but that the Communists have been the architects of vital innovations. Woe betide anyone who interrupts that effort! What would happen if we were to return to the domination of the old patronage system, the old corruption, the men who produced the ruin of our cities?

In 1979 we could say that we had warded off the worst, that we had halted inflation and prevented an economic collapse, that we had defended democracy against the terrorist assault. And there was a portion of the electorate that did not grasp the import of this contribution, while others concentrated their attention on our mistakes. Now we can also show our record of responsible, committed administration, whose first concern has been the people's interests.

[Question] What then do you see as the second difference between now and 3 June?

[Answer] Our political watchword this time is instantly understandable, doable, and indicative of a political solution that has been proved sound: "Consolidate the incumbent democratic leftist coalition administrations, and elect more of them." There is an objective that speaks to a situation in which the DC, with its congress, rules out any government including the communists, even in local administrations where, as everybody knows, there is no use at all in invoking military alliances or foreign policy pretexts. Of course, in our view, the democratic leftist coalitions are based not only on the solid ties between communists and socialists -- although we consider those essential -- but are open to input and participation on an equal footing from all who are willing to help forge a policy of renewal and progress. It is highly significant that we can already count on the existing collaboration with the Proletarian Unity Party (PDUP) and the Social Democratic Party (PSDI) in the three biggest cities in Italy -- Rome, Milan, and Naples -- and with the Republicans (PRI) in many more towns.

[Question] Let's get back to the candidates. The voters will be asked to suggest names for the PCI slates. There are some who say this is asking for trouble. Small pressure groups, for example, might move in for purposes having nothing to do with

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the elections, but rather in order to distort, rather than enrich the democratic dialectic. How seriously do you take this?

[Answer] The first issue to clarify, if possible in public meetings, has to do with the kind of people who are nominated as PCI candidates. We require that their records be impeccable; that they be competent people capable of governing, and that they have meaningful ties with the people. Secondly, the final decision, by law, lies with the assembly of registered members of the section and, in the larger cities, with the citizens' committee or the federation committee. If there is a demand for it, the balloting is secret. There is every possible guarantee. This survey will stimulate the Party to find out where it stands with a vast number of voters. We must shun the temptation to make candidate selections in secret and out of force of habit.

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COUNTRY SECTION

ITALY

NCO'S IN FRIULI COMMENT ON COMING MILITARY ELECTIONS

Milan CORRIERE DELLA SERA in Italian 24 Feb 80 p 5

[Article by Sergio Pardera]

[Text] Udine -- Friuli, the "borderland" (it is only 90 kilometers from the Austrian border, and the Yugoslav border is a scant 40 kilometers away) is where most of our armed forces are stationed. Right here more than 70,000 men are under arms, along with the best of our armor and the mightiest of our artillery (including a missile brigade), plus our newest anti-tank weapons. In short, this is the hard core of our armed forces. That is why, here in Friuli, the impending elections for councils to represent the troops take on special meaning, and all the excitement of a major event reaching far beyond the perimeters of the military bases to involve, apparently, whole communities, towns in which the number of soldiers in the streets is sometimes greater than the number of civilians.

That is why it is incumbent upon us to take the pulse, as it were, of this region.

Our interlocutors -- some 30 in all -- are noncoms from the army and air force stationed in Udine and other Friuli towns. What is the climate at the bases, a month before the base council elections? How are commanding officers complying in implementation of the guidelines handed down by the defense ministry and the general staffs? These were the issues discussed at this meeting, which lasted several hours. The voting materials have been delivered to commands in the Friuli region, all right, but there is very little talk about the elections in the barracks, and even less outside the posts. The official regulation has certainly not been helpful in establishing the climate for an election. "On my station," we

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were told by one warrant officer from Ariete, "there was a meeting of more than 300 men, who openly blamed the government for failing to adhere to the instructions handed down to it by parliament." Others complain that "there's almost no information" ("most of the men don't even know when and how the elections will be held; if democratic men are not elected to the base councils," said one sergeant in the mountain corps, "we won't even have any intermediate councils"), and that "there's a great deal of skepticism."

Nor has there been any lack of complaints about the behavior of certain commanders. "There are people who work underwater, who take the men aside one at a time to advise them not to vote for "hotheads," but for men they trust. Then there are others" -- here's a sergeant-major from Julia talking -- "who engage in spreading know-nothing propaganda."

Nor yet -- according to what we are told -- has there been any lack of intimidation. "Be careful: they've already got you in their sights," is what one commanding officer in a Zasarza barracks allegedly said to one non-com who was planning to stand for election. This, though, is not a very widespread phenomenon, and should be neither dismissed nor blown out of proportion. Nobody will be surprised to learn that elections for councils are running into a lot of resistance. "The brass," says one NCO, "may have a better notion than we do of the fact that these councils will constitute a real revolution in the army, and they are afraid of losing some of their old power."

Are there limits to the regulation? Are obstacles put in the way of electioneering?

"It is right to speak out about all this," says another army NCO, "but the important thing is to elect our own democratic bodies, a right that has always been denied us, in order to stamp out an already obsolete notion of military life."

In other words, the communists were right -- we asked -- in fighting to improve the regulation, at the same time taking care to avoid giving pretexts to those who didn't want to hold elections by blocking the whole thing?

The reply to that was unanimous: Yes. ("Afterwards we'll make our strength felt," said one young artillery sergeant, "when we ask for the changes that are needed.").

The talk then shifted to preparations for the elections. How do we stand in Friuli? The situation, I am told, varies from one command to the next. "In some," says the sergeant major from Julia, who seems well informed, "there have been quite a lot of briefing meetings; the commands have had bulletin

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boards set up and set aside other areas for electioneering posters. In others, though, there have been only small meetings (or none at all), and there are very few poster boards." The ministry and the commands assure us that there will be more provided. "When?" asked an air force NCO. "After the elections are over, maybe?"

The discussion then shifted to the choice of candidates and to platforms. There was talk of draft reform, of the military code of justice and of the new disciplinary regulations; of military health clinics (all matters primarily of interest to the troops); of the promotion and career system, of vocational training, of housing and of living conditions on the bases -- all matters the representative councils are to deal with.

What most were afraid of was seeing the men stay away from the polls or cast blank ballots, particularly the rank and file draftees. "There are still too many youngsters asking us," says an artillery sergeant major, "what good it will do to vote, and whether they have to vote." "Shouldn't we worry about this?" was the argument raised by one NCO at the Udine meeting (a similar position was voiced at Padua at a meeting with a group of soldiers and NCOs at the Pierobon barracks, and others from the Northeast Military Command), because "the important thing is to elect democratic servicemen, determined to see to it that the law in its principles and the role of the elected representatives are respected." Not to concern ourselves with this would be wrong and dangerous. "If we do not turn out to vote en masse," said an Ariete sergeant major, and everybody agreed with him. "the representative councils will be discredited from the start, And that means that we will have played into the hands of those who didn't want them to begin with."

The other concern that surfaced in both meetings was that the military representation elections would take place amid total indifference on the part of the local populations. They must have their consciousness raised. A veteran air force sergeant major had a specific suggestion: call for discussion and debate on local TV stations.

The communes must be involved, too -- it was said -- to deepen the rapport between civilian society and the military.

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COUNTRY SECTION

ITALY

RED BRIGADES SPREADING FEAR AT ALFA ROMEO

Milan CORRIERE DELLA SERA in Italian 24 Feb 80 p 2

[Article by Giancarlo Pertegato]

[Text] ARESE (Milan) -- We are at the Alfa Romeo plant on the day after the ambush at Dallera. When you ask people here for answers, what you get are stories of incidents, or theories. When you have finished, you find that all you have is more questions. Different from the ones you started asking, these help you understand the climate that prevails in this place, but they do not explain the mystery of this pervasive Red Brigade presence that hovers like a malignant spectre around the Arese plant.

Who are the terrorists? They are people who came to work here on orders from the Red Brigades. They are people nobody would ever notice. Why? They are terrorists -- that's all. All the political and logistical backup work is handled by the others.

Who are the others? They are free-lancers who act as messengers for the Brigade people and who shout the slogans against the union.

You also hear a note you have heard before: yes, the terrorists are indeed inside, but they are here because they got jobs in the plant just so they could mount "operation fear." Is there fear at Alfa Romeo? The reply is that for more than 7 months the terrorist telephone crews have been calling the homes of foremen, technical managers, union stewards, and Berlinguerists [orthodox communists]. Many more have been threatened, though, but have not reported it. You hear another note you have heard before -- one you hear invariably when something bad happens: the others, the terrorists, come from outside. They are inside, but only because they have been

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sent here. It's an understandable explanation, but not a satisfactory answer.

What about the Red Brigades' resolution number eight, dealing with Alfa Romeo? Of course it is frightening because it shows such a knowledge of the plant, because the language is so clear ("It sounds like one of us"). But isn't the hand of a leader visible in that document? They reply that there are two reasons that would indicate a "shadow-director" of the Red Brigades: a knowledge of details known only to a few top people, and the unmistakable ability to draw a picture of a production line like Alfa Romeo's, and then to explain it with a clarity that only absolute mastery of the subject would allow.

It sounds like somebody who grew up at Alfa Romeo, don't you think so? It certainly looks that way. It might well be so.

Carlo Melada, socialist, is on the executive board of the Alfa plant council. He says:

"We are doing our duty. We were a little bit worried about the strike, after the bloodshed at Dallera. Why? When Bachelet was killed in Rome, things didn't go right. We are striking and calling meetings, but if nothing changes after we do it, people start wondering why they should go out on strike. So I said: let's call a meeting of the plant council before we decide we are going to do. And so on Friday morning at 0800 we met, and we called the strike."

How did it go?

"I didn't believe it would go so well. Worker participation was excellent."

Riccardo Contardo, a FIOM (Metalworkers' Union) man like Melada, and a communist, is another member of the executive board of the plant council.

"It went well here, but not so well at Portello. When something happens, people look at us: and here we are. But the others? For example, there were no top management people at the Alfa meeting. And yet it was one of their own who was hit. We didn't withhold our solidarity from them. It's our duty, but we didn't get even so much as a phone call. Will the strike be enough? Of course it won't be enough, when the terrorists, from their point of view, display such efficiency as they do here, you begin to wonder: how in hell do they do it, in spite of the punishment they have taken? They've got to have somebody conniving with them, some support, some accomplice."

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Here Melada breaks in:

"Then there's the rest of it. We go on strike against terrorism, there's no sign of management, and what is said outside? That the victims are striking -- not to escape paying their taxes, God forbid I should say that -- but so they won't be subject to audit on past payment of taxes."

And with the Red Brigades in the plant, what happens?

"They try to create a Mafia climate -- as you understand when somebody tells you that the guy who was passing out leaflets was wearing a ski mask, so there was no way to identify him."

Contardo: The others have to do their part, too. This is one reason why we are calling a meeting this Tuesday, with people there from the magistrate's court and from the police union.."

Vittorio Ammirati, of the Alfa Romeo PCI section bureau, tries an explanation.

"With their resolution eight, the terrorists took a qualitative leap forward. They proposed a "Red Brigades" union. Why? For 2 years Alfa has been in the cross-hairs of the BR's sights. They would like to send a message from here to the outside, to the whole country. This their planned offensive against those who stand in the way of their plans, and it is well under way. After setting fire to the plant council's car, they attack and wound somebody from top management. And in the files that were seized in Parma from the Prima Linea people they found files on Alfa's union and political directors. The files showed the leaders' habits, and even the addresses of the schools their kids attended, and the times they went to and from school. And then the telephone offensive, going on now for 7 or 8 months... Threats, like the one the family of a member of the plant council got last Friday morning. You can imagine what it's like when you come home from work and find your wife frightened to death..."

There is one Alfa director who consented to talk to us. Now he is out of the fray, having retired a short time ago. His conditions for talking? That he not be identified.

Why is Alfa in the Red Brigades' cross-hairs?

"I can only try to understand. The company is pursuing a policy in the area of labor relations of decentralization of power, one tending toward [worker] participation, toward consensus. It is the very opposite of a policy of confrontation. Do we want to eliminate or at least reduce alienating tasks? Fine:

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let's do it. Does work on the assembly line impoverish a man and take away his sense of responsibility? Absolutely right: in this is a real awareness that comes from the heart of the plant, if it is a genuine desire of the workers, well then let's take notice. This is how the Alfa plan was born, a reorganization plan that comes to grips with the fact that these are new times. With the production islands, the work is not merely a repetition of one motion with one tool, repeated endlessly all day long, every day, the same forever. The job is enriched with new tasks and responsibilities. There you have the danger to terrorism: the area of alienation may shrink, and if it does -- argue the theoreticians of the revolution -- then there will be, or may be shrinkage in that area of malaise and discontent they can count on to stay neutral toward whatever they do."

Why do they threaten the union leaders?

"They can guarantee political consensus around the Alfa operation."

And why are the technical management people being hit?

"Not because of their personal views. According to BR strategy, as proclaimed in the document dealing with Alfa, people are singled out for attack because of the technical position each of them holds. At every nerve center in production and in the reform plan there is one man, and therefore one responsibility."

This Red Brigade strategy seems to have been born inside, with specific and complete knowledge of Alfa. How do you explain this?

"It might very well be a shadow-director of the Red Brigades. It might be..."

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COUNTRY SECTION

ITALY

RESUMPTION OF VIOLENCE IN SOUTH TYROL

Milan IL MONDO in Italian 7 Feb 80 pp 14-15

[Article by Teo Dalavecuras: "Talk of Ethnic Fragmentation in Tyrol"]

[Text] The struggle for linguistic autonomy is taking a violent turn as the 1981 census approaches.

Bolzano--"Communists are crap. Flush 'em down the drain" was the ditty an old drunk was droning one evening not far from the Bolzano station. It was an obnoxious spectacle that could happen anywhere. Here in Alto Adige, however, the episode takes on a more "serious" aspect; it brings to mind Alex Langer's speeches about the "Tyrolese model." Langer represents the "Nuova Sinistra--Neue Linke" [New Left] on the provincial council, and he explains that "the autonomy of Bolzano province is not territorial but above all the autonomy of linguistic groups." Thus the German-speaking Tyrolese is primarily a "German" and only secondarily a worker rather than an innkeeper or a farmer. The same goes for the Ladin of Val Gardena, and the Italian civil servant in Inps di Bolzano. In this way, Langer says, "a strong element of ethnocentrism has been injected into Tyrolese autonomy, and it is in constant danger of lapsing into racism."

Beginning next year, linguistic identity will become obligatory. With the 1981 census, every inhabitant of Alto Adige will have to state which of the three official linguistic groups he belongs to. It is a declaration that Langer sees as "fixing status." The New Left leader is starting a battle against the census.

The "new options" of 1981, as they are called, raise the specter of the options imposed by Hitler and Mussolini in 1939, which forced the southern Tyrolese to either declare themselves "German" and pack up and leave or declare themselves "Italian" and give up using their own language.

The options of 1939 were a barbarous measure, and Langer does not want to put the census at the same level. However, he does fear the consequences of this radical way of subdividing people according to ethnic groups. He realizes that the first consequence will be the closing of the already narrow field of political debate and social conflict.

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Silvius Magnago, head of the Bolzano government and chief of the Suedtiroler Volkspartei [South Tyrol People's Party]--a kind of Strauss from Alto Adige, thunders, "Langer is trying to undermine the basis of the autonomy statute for the sole purpose of making propaganda for his group." The elderly leader speaks sarcastically of "young Dr Langer." "He was a leader of Lotta Continua [Continuous Struggle]," Magnago added. "Now I think he's no longer a part of it."

He will never admit it, but Magnago must nurture some hidden gratitude for "young Langer." After years of political routine, Silvius Magnago smells a challenge and is as excited as a full-blooded politician can be. Langer speaks from the standpoint of national conflict, but he calls himself and indeed is an authentic supporter of Bolzano autonomy. But he is bringing up the subject of social conflict and combating "linguistic corporativism," which is the apportionment of social needs in rigid proportion to the relative size of linguistic groups. In the case of public housing ("We call it 'social dwellings,'" says Magnago, with a trace of affectation, "but it's the same thing") or public administrative jobs, one-third goes to the "Italians" and two-thirds to the "Germans" and Ladins, who are not very numerous at all. As a result, Italian-speaking Tyrolese, who are concentrated in Merano and Bolzano, where there has been less construction, cannot find housing.

Silvius Magnago remembers Fascist persecution, hints at the necessity of repairing the wrongs that were done, and assures that the new census in 1981 will count not only linguistic groups but also actual needs ("And maybe," he adds as a veiled threat, "it will be found that new housing is needed in the valleys as much as in the cities, and maybe more").

"It's true," Magnago continues, "I want to be perfectly clear: autonomy is costing the Italian-speaking population certain privileges. Do you want to call them advantages? It's the same thing. Italian-speaking people now have to know German to get a public job. Now, we have always had to speak Italian. Bilingualism was implicit in the Paris agreements between Italy and Austria, only now it is being achieved, and it isn't our fault if Italian-speaking politicians haven't prepared the people for it. Of course, in government jobs the two groups should be represented in proportion to the population, but we in the provincial offices have had this proportionality in effect from the beginning. But for too long German-speaking Tyrolese have not been able to get into government offices unless they spoke Italian."

But there is a political problem. The SVP [South Tyrol People's Party] is leaning toward a political "model" that has no place for anything other than linguistic and national identity. Magnago knows this and confronts the problem without mincing words: "But do you think that we could have achieved autonomy or been able to defend it without the linguistic basis? We are not trying to sweep social conflicts under the rug; we know that the interests of a farmer and those of an innkeeper are very diverse. But we are trying to find the lowest common denominator. You've got class struggle and 7-8 percent unemployment. We are against class struggle;

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our model is 'Partnerschaft' [partnership], Austrian participation. That way, the Italian crisis has barely touched us here. Because of us there is social peace and investment is increasing. Do you think people are ready to throw all that over? Even the Italian-speaking population has benefited."

There is nothing wrong with what he says. It is too bad that this model eliminates any possibility of change, and society closes in upon itself. But it is a price that the SVP and, probably, a large part of the Tyrolese population is quite happy to pay. The "national" parties in the Bolzano provincial capital know this and are thus being drawn in the wake of the SVP, leaving the opposition to Alex Langer and the New Left (fourth party in the November 1978 elections after the SVP, DC [Christian Democratic Party], and the PCI).

However, as happens wherever ethnic identities are privileged, any politician can find a way to unleash violence. For a year, German-language terrorism has been matched by "Italian" terrorism. On the fiery night of last 5 December, the API [Italian Protection Association] dynamited eight "German" inns and aerial cable cars. It was only a foretaste of the actions promised by the API, only a "Christmas greeting," as their flyer said.

The poor drunk we met in the Bolzano station will never occupy a factory or take part in a violent strike, but he might find the call of nationality and the "Heimat" irresistible.

Is ethnic violence the price of "social peace"? This is indeed curious, Dr Magnago. How come the communists, who pursue change and not social peace, actually support the "Tyrolese model" and give no support to the objectives of the New Left? "The communists," Silvius Magnago sneers, "are too smart not to realize that the end of autonomy based on linguistic groups would mean that war would begin here."

But hasn't the war already begun? "I am very worried about the attacks, but I think that only when the autonomy statute takes complete effect will all danger of violence be eliminated." This is a veiled way of saying that "Italian" bombs do not frighten them and that, when there is talk of fragmentation, the German-speaking Tyrolese intend to have the last word, at least in their own home. And few Italians are ready to dispute the fact that Alto Adige is their home. They only want to live there in peace, and it remains to be seen whether the conditions dictated by the SVP are peaceful. It may be decided easily: the SVP offers social peace in exchange for immunity from any Italian "pollution" (and it is well known that Italians always bring with them opera and a little subversion).

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COUNTRY SECTION

ITALY

TENSION IN RELATIONS BETWEEN CATHOLIC GROUPS, DC

Milan CORRIERE DELLA SERA in Italian 20 Feb 80 p 4

[Article by Walter Tobagi: "Difficult Relations With the Catholic Organizations"]

[Text] Rome--Catholics and Christian Democrats, or, as the observers see a DC [Christian Democratic Party] congress, the clergy and the laity, consecrated to the big Catholic organizations. A sensitive issue at a time when, as now, the Vatican appears definitely to have decided on a more detached stance toward Italian politics. The Polish Pope has consistently avoided meetings with the DC leaders, lest they be interpreted as endorsements of one faction or another. But there has been no lack of signals, unofficial though they are: an article in CIVILTA CATTOLICA, the Jesuit magazine, which sounded a warning on the eve of the congress. Then an editorialized report in L'OSSERVATORE VATICANO, the newspaper of the Holy See, stressing "caution" toward an alliance with the PCI [Italian Communist Party].

This view is confirmed by the representatives of the "Catholic world" who are attending the congress out of professional duty. Father Angelo Macchi, a Jesuit of the San Fedele Institute who writes for AGGIORNAMENTI SOCIALI, said to me, "L'OSSERVATORE has made it clear that a decision to share the government with the PCI would be contrary to the opinion and the will of the Christian democratic rank and file and of the electorate." Father Macchi expressed no opinion on the divisions of opinion within the party: He liked Zaccagnini's report "on the problems and prospective roles," but thought the part dealing with the communists had been insufficient. His criticism regards mainly method: Zaccagnini indicated a number of issues on which the PCI "must" take a certain position, but "expressed no opinion on the PCI's present position regarding those issues." And more generally speaking, "He underestimated a fundamental factor: the PCI's historical, geographical, political and ideological orientation."

Father Macchi remembers when his articles 20 years ago were interpreted as a green light to cooperation between Christian democrats and socialists. But he says, "The socialists had convened a congress to uproot themselves from their past ideological and political terrain." And as to the current

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communists? "The PCI could respond 'yes' to many, even to all, of the questions being asked of it by the DC on specific issues. The basic question, however, is what positions underlie these responses. The problem, beyond substantive issues, is that the communists would have to uproot themselves from the communist world's system of values, political solidarities and ideological motivation."

Basically, what is being sought is that the DC re-starch the system of values that makes it the expression of Italian Catholicism. And further reservations are being expressed in this regard. In the opinion of Angelo Narducci, Christian Democratic Eurodeputy and managing editor of the Catholic daily AVVENIRE, who long ago assumed a detached and critical position, "The Catholic world's values are there, but they are in the background, too much in the background." How can they be brought out more effectively? "Through a presence in civil society. If the DC radicates in society, it will establish with the Catholic world an organic relationship that will safeguard it from moderatism, integrationism and leftism. The Catholic world is a world of values, not of power."

Cesare Cavalleri, managing editor of STUDI CATTOLICI, objects to the lack of "cultural offices" within the DC: "A party cannot offer a social model if it cannot shape society from within instead of through the advisers of the princes on duty." In Zaccagnini's report, he challenges, among other things, "the use of the adjective 'historic,' an adjective that is foreign to Catholic culture when used in the sense of 'good.'" He finds Forlani's reference to the right to life gratifying. But he adds, "One cannot posit oneself a moralizer when the state, governed by a party that calls itself Christian, approves abortion."

From a more "social" and concrete political viewpoint, Domenico Rosati, president of the ACLI [Christian Associations of Italian Workers], sees in the congress a confirmation of the "mutual independence" between the DC and the Catholic workers associations: "Our relationship is with the entire DC, not just one faction." And Ruggero Orfei, who manages the ACLI weekly, stresses the importance of "rejection of socialist principles," a recurrent theme in the congress's debate. In this way, "the DC puts itself in a position to judge which political decisions contain elements of socialism. The berthing of the PCI in the government takes on more and more the aspect of entering into a mined harbor. And this can in some ways please the communists themselves, who prefer to be in the opposition."

According to Orfei, the decision to revert to indirect election of the secretary flows from the lack of "a man capable of interpreting the party line." The entrusting of the choice to the party's national council is indicative of a "power fragmented in little pieces: it is the Polish monarch in the hands of his barons." And this is not at all to the liking of Father Macchi: "A disappointment, a return to excessive power of the factions."

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Will the DC that comes out of this congress find its relations with the Catholic world more difficult? The answers are cautious. All the interlocutors stress the preeminence of Christian values which must override strictly political considerations. An example is terrorism: "Violence," they say, "cannot be stemmed solely by issuing more weapons to the police, if the moral conscience of the people is not renewed." And Cavalleri criticizes the excessive tendency of the Christian democratic leaders to resort to "mediation"--a tendency that led even Moro to "seek mediation between the state and the Red Brigades." In other words: "The political aim cannot be to sit around a table, but rather to govern the country."

Whatever the outcome of the congress and the name of the future secretary, the probabilities of their being earth-shaking are small. Arturo Parisi, former vice president of Catholic Action Youth under Bachelet and now managing editor of MULINO, proposes that a distinction be made between the "Catholic world" and "Sunday Catholics": "The Catholic world is made up of lay militants in the Catholic organizations that are tied to the Church; and this world remains solidly attached to the DC. The Sunday Catholics manifest a greater pluralism, but this stems more from political opinions than from religious motivations." In any case, the political and numerical force of the party appears to be beyond question. As Orfei has well said: "Despite the commotion in the stands, one breathes an air of serenity--one has the impression that, for the DC, the worst is past."

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COUNTRY SECTION

ITALY

DETRIMENTAL EFFECTS OF EEC'S AGRICULTURAL PRICES

Milan CORRIERE DELLA SERA in Italian 20 Feb 80 p 12

[Article by Cesare Selleri: "Italy Is Paying Too Much for the EEC's Agricultural Prices"]

[Text] A great deal of space has been devoted by the press this year to the problem of EEC agricultural prices although negotiations have not yet entered a crucial phase; they have not even got past the first meeting of the EEC ministers of agriculture. The committee's recommendations to the Council have in fact been the object of severe criticisms by the EEC agricultural associations and the governments of many of the member countries. The committee's principal aims were: a) to contain EEC expenditures (also the sense expressed by Parliament); b) to discourage production in sectors of structural surpluses (milk, cereals, sugar); c) to contribute to the containment of inflation. Based on these objectives, it has recommended a mean price-increase of only 2.5 percent for the 1980-1981 season (with a maximum of 4.27 percent for rice and a minimum of zero for butter).

Since the mean rate of inflation within the EEC will be around 8 percent, the agricultural associations have protested vigorously. The COPA [Committee of EEC Professional Agricultural Organizations] had requested adoption of the "impartial method," which would have meant a general 7.9 percent increase in agricultural prices. The representatives of the various countries, though not insensitive toward the considerations on which the committee's recommendations were based, have also requested "the assurance of an equitable standard of living for the agricultural populations" in accordance with the provisions of the Rome Treaty: in plain words, not to place the burden of containing inflation entirely on the backs of the farmers. This basic theme, in which all the governments seem to concur with various shadings, is the rootstock on to which the individual countries, complicating things enormously, are grafting their specific requests relative to this or that product or to this or that special consideration.

As is often true in other sectors as well (energy, public expenditures, and others), the specifics of the Italian position are especially relevant, in that our problems are greater. In the first place, it must be noted that, as compared with the EEC mean devaluation rate of 8 percent, our devaluation rate is close to 20 percent.

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Since the lira is held stable in the SME [European Monetary System] orbit (the possibility of future devaluations of the depleted lira is also now ruled out), the prices for agricultural products at point of origin (heavily influenced by decisions made in Brussels) increase at a "European" rate, while production costs, tied to domestic devaluation, increase at an "Italian" rate. Whereas a 2.5 percent mean increase in agricultural prices may be insufficient for the German farmer, it is absolutely unacceptable to the Italian farmer.

Secondly, Italy is the only country in the EEC orbit that is a heavy importer of structurally surplus agricultural products: dairy products, cereals, sugar. It must therefore submit to a production containment policy on precisely those products it most needs.

Lastly, Italy is once again alone carrying the defense of Mediterranean production against the other countries, which are predominantly producers of continental commodities. Thus, the task of Minister Marcora, who besides defending Italian interests is burdened this semester with presiding over the Council of CEE Ministers, will be extremely difficult.

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COUNTRY SECTION

SPAIN

WEEKLY PREDICTS IMMINENT EXPULSION OF MORE SOVIET SPIES FROM SPAIN

LD071601 Madrid CAMBIO 16 in Spanish 2 Mar 80 pp 16-19 LD

[Unattributed report: "How They Hunted the Spies"]

[Excerpts] On the evening of 19 March 1979 Enrique Lopez Alcantara, 58, had just left his invalid friend Antonio Diego Diaz at his home on the Canillas Road, Madrid. Next he drove his car, a Citroen GS, to the garage at Number 3, Calle Canillejas.

Some 90 minutes later Enrique lay dead on the floor of the dark, lonely garage. The only report the next day was a brief, hastily-written item in the daily YA.

Furthermore, this brief news item omitted several key facts regarding his death--the fact that Enrique Lopez Alcantara was a friend of Aeroflot's Spanish representative, that he was a former soldier and that he had returned from the Soviet Union 2 days previously. It was his first and only visit to the Soviet Union.

Just 1 year later one of Lopez Alcantara's colleagues was expelled from Spain by the Spanish intelligence services. He was Oleg Shuranov, Aeroflot's Spanish representative, who left Spain on 15 February accused of espionage by the Spanish authorities. By coincidence Enrique Lopez Alcantara also worked for the Russian company, specifically as a sales manager. The following day first secretary at the Soviet Embassy Anatoliy Krasilnikov left in the same way. The expulsion of Oleg Shuranov and A. Krasilnikov has made what is already an old issue in the still young Spanish-Soviet relations--the expulsion of Russian diplomats and officials accused of espionage--extremely topical once again. Our country had already expelled five spies in the 3 years of diplomatic relations between the countries. This is the story.

A few months ago Prime Minister Suarez met in Jordan with the Spanish ambassadors of the East Mediterranean area. One of the topics raised by the prime minister was his concern at Soviet espionage activities in Madrid and its possible aims to foster a "controlled" destabilization so as to

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to prevent Spain's entry into NATO. Just over a month ago the prime minister told a Madrid journalist in a private conversation about these same fears, and at the same time announced the imminent expulsion of more Soviet officials accused of espionage. The premier's announcement did not take long to come into effect. Shuranov was arrested by Interior Ministry officials early last week after purchasing plans for some electronic aviation equipment. The "vendor" was none other than a member of the Spanish secret services, who passed himself off to the Soviet citizen as a top executive of a Spanish company. With the evidence in his hands, Shuranov was taken to the state security office, in whose cells he spent the night. The next day, Friday 15, two police cars escorted a Renault 12, which carried Shuranov, right to the steps of the aircraft, a Polish Airways Tupolev.

Oleg Shuranov, 41, tall, with a fair complexion, almost bald and born in Leningrad, is married to Charita Shuranovna, has two children, aged 15 and 7, is an engineer and before his Spanish appointment held the same post as Aeroflot representative in Canada. Pilots and ground staff at Barajas airport [Madrid] were well acquainted with Shuranov's peculiar interest in the frequency used in Spanish aircraft communications and with security arrangements at Barajas. On one occasion he went as far as to express to a Spanish pilot an unusual, preposterous desire--to be let into the U.S. airfield at Torrejon de Ardoz. According to Spanish security sources, Shuranov was a member of GRU, the Soviet military espionage service.

Shy Diplomat

No more than 24 hours had gone by since the expulsion of the Aeroflot chief and Enrique Lopez Alcantara's boss, when one of his compatriots followed in his footsteps. First secretary at the Soviet Embassy in Madrid Anatoliy Krasilnikov was caught red-handed in the Canary Islands talking with a prominent member of the Canaries terrorist and separatist organization led by Antonio Cubillo: The Movement for the Independence and Self-determination of the Canaries Archipelago. The supposed militant was in fact a member of the Spanish intelligence services who had infiltrated the GUANCHE organization.

The conversation between Krasilnikov and the Spanish agent, during which the Soviet diplomat gave specific instructions concerning how to wage the guerrilla struggle, was recorded at long distance by powerful directional microphones. The tape was brandished as irrefutable evidence by the Spanish authorities. The overwhelming proof of the evidence was enveloped by non-committal and glib euphemism: According to the Spanish Government communique the first secretary was expelled for "excessive concern with specific aspects of Spanish domestic policy and security." On Saturday 16 February, using one of Aeroflot's weekly flights from Madrid to Moscow, Krasilnikov left Spain.

Anatoliy Krasilnikov, 42, with receding black hair and not very tall, is a law graduate and career diplomat. A quiet, retiring man, on 22 June 1977

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he was posted to the Soviet Embassy in Madrid as charge d'affaires. He was promoted the same year to second secretary and recently to first secretary, in an undeniably brilliant rise. According to Interior Ministry sources, the intelligence sent back by Anatoliy was important.

The expulsion of the two Soviet officials was followed by the rumor of the departure of Igor Ivanov, an embassy adviser and a very well known figure in Madrid opposition political circles. Sources at the prime minister's office have confirmed to this paper that Ivanov, a very pleasant and friendly person, has no proven contacts with the Soviet espionage services.

The Russians' reaction was not long in coming. Just 24 hours after the expulsions Soviet Ambassador Dubinin in person visited the Foreign Ministry to deliver a verbal note noting the "coarse provocation" constituted by the expulsions and the attempt by certain sectors to wreck "the good relations between Spain and the USSR."

[LD071603] Other reports confirmed by this paper mention possible Soviet reprisals against Spanish officials living in Moscow and also against a high-ranking official very close to Prime Minister Suarez. The latter is Eugenio Bregolat, a member of the prime minister's office, headed by Alberto Aza, and an expert in Soviet affairs--he spent several years at the Spanish Embassy in the USSR--who has a close relationship with a Soviet citizen whom he plans to marry.

An official spokesman for the Spanish Foreign Ministry described the Soviet protest note as "inaccurate, improper and unacceptable." This same source also told CAMBIO 16 that "there is no campaign in our country against the USSR either over the invasion of Afghanistan or over the Olympic games." Both Soviet officials were caught red-handed committing crimes punishable under Spanish law and, out of diplomatic courtesy, they were sent back to their country instead of to jail." [Quotation marks as published]

Strange Crime

Enrique Lopez Alcantara's death on 19 March 1979 rapidly alerted the Spanish security services. Colleagues of the dead man have confirmed to this paper their surprise at the no less surprising case of Enrique. Though officially he had been held up by villains who attacked him in order to rob him, none of his belongings were missing and his car remained parked in the garage. The wound which caused his death was also very strange. A simple cut behind his knee caused a rapid hemorrhage which killed him. The cut, which precisely and accurately severed his femoral artery was either a remarkable chance occurrence or the work of a hardened professional.

Two police stations became involved in the inquiries into the events. One of them, the Chamartin station, is quite a distance from Canillas Street and much nearer the offices of certain Spanish intelligence services. No charges have yet been preferred because of the absence of clues, and the

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police have told this paper plainly and clearly that it does not believe there were any motives other than robbery. When consulted by CAMBIO 16, his widow confirmed this theory. Nevertheless, other investigators are intrigued by the strange circumstances surrounding the former Aeroflot sales manager's death, which prompted the investigation leading to the expulsion of the Soviet airline's representative Oleg Shuranov.

Spies in Spain

Before the expulsion of Shuranov and Krasilnikov, four other Soviet spies had left our country suddenly at the request of the Spanish authorities since February 1977, when diplomatic relations were established between the countries. On 2 March 1977 embassy official Yuriy Pivovarov left Spain at the Spanish Government's request. Pivovarov was accused of carrying out industrial and military espionage. His dossier was prepared by the central higher chief of staff. The second Soviet spy to be expelled was Gennadiy Sveshnikov, who worked for the Spanish-Soviet joint stock company Intramar, carried out his activity in U.S. bases in Spain for the GRU and, on his arrest in Aranjuez, was found in possession of several documents pertaining to state security.

But the most important loss took place on 22 April 1978, when top Soviet Embassy official Yuriy Isayev left Spain on an Aeroflot flight. General Isayev, 46, was one of the brains behind the KGB and came to Spain to restructure the intelligence services. The fourth man to be expelled was Yuriy Popov, 32, an engineer employed by the joint stock company Weimar.

Presumably Shuranov and Krasilnikov will not be the last to leave. According to information received by this paper from two separate and entirely reliable sources, there could be developments in the next 2 weeks. Two more Soviet spies will soon be leaving our country. According to one of these sources, there are some 106 spies in Spain, identified among the 800 or so Soviets living in Spain.

Of these, 69 are Soviet Embassy officials, 26 with diplomatic status. The remainder are distributed among joint stock companies, news agencies, foreign correspondents and the world tourism organization. CAMBIO 16 has learned from entirely reliable sources the name of a further nine Soviets working in espionage activities (see inset). [at end of item].

According to a top Interior Ministry official 30 percent of diplomatic staff in embassies and consulates in Western countries are Soviet spies. In Spain over 60 percent of Soviet diplomats are involved in espionage work. This is due to Spain's strategic position, as in West Germany, where the percentage is similar." [Quotation marks as published] The majority of them belong to the KGB and, according to sources, their chief is Embassy Adviser Sergey Konstantinov, General Isayev's successor, who lives at 8, Calle Caleguera.

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[LD071605] The same source has said that about 15 percent of the U.S. Embassy are also CIA spies concerned with the strategic control of the Mediterranean and Spain's entry into NATO. At present the CIA is launching a major campaign to facilitate our entry into the Atlantic alliance, taking advantage of the Soviet invasion of Afghanistan.

The favorite targets for Soviet espionage are the Basque country and the Canary Islands, in its attempts to control or influence the separatist and terrorist movements so as to create the notorious "controlled tension" which would obstruct Spain's NATO entry, the objective being obsessively pursued by its U.S. counterparts.

Specifically in the Basque country, the Soviet secret services have no joint stock companies behind which to camouflage their informants. Nevertheless, the Spanish authorities have detected excessive interest from the Soviets in working as technicians in Basque companies. One of the cases cited to CAMBIO 16 by these sources is that of the Cegasa Company, based in Vitoria, which manufactures Tximist brand batteries.

The situation in the Canary Islands is more worrying. Following Masie's fall in Equatorial Guinea and the new regime's closure of the Soviet base at Luba, the presence of Russian fishing vessels in Canary Island ports is massive and has almost doubled in a few months.

According to the intelligence sources consulted by CAMBIO 16, these fishing vessels "are not actually fishing vessels, unless you can fish something using aerials and sophisticated electronic apparatus." In fact what they are "fishing" for is the presence of U.S. submarines in the Atlantic, information which they transmit to orbiting Soviet satellites. Last year the Americans made this observation twice to the Spanish authorities, pointing out at the same time that supplies to Cuban troops on their way to Africa were taking place in Canary Islands waters.

There are three companies under close surveillance by the Spanish intelligence services. They are import-export companies trading with the Soviet Union; one of them, Prodag, is owned by an old acquaintance of CAMBIO 16 readers, the millionaire owner of famous stables and manager of Real Madrid Soccer Club Ramon Mendoza. According to the services consulted by this paper, Mendoza is very friendly with the GRU colonel. Everybody already knows about his close friendship with KGB superspy Victor Louis. When asked by CAMBIO 16 whether he has any Soviet employees in his company, Mendoza replied with the following equestrian simile: "The personnel who work with me are like my horses--born and bred in Spain." He failed to mention the personnel employed by the Prodag mission in Moscow--all Soviets well known to all followers of espionage.

According to the above-mentioned sources, Wiemar, for its part, receives the same surveillance. The curious thing about this enterprise is that one of its former board members is current Minister of the Interior Antonio Ibanez Freire. The expelled spy Yuriy Popov used to work for Weimar.

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Nor, for its part, does Juan Garrigues' Ciex enterprise escape the above-mentioned services' suspicions and surveillance. "We are not at present expecting the capture of any agent in these enterprises," a member of the Spanish intelligence services told CAMBIO 16. "But we are keeping them under close surveillance, because the splendid and profitable business which they are doing with the USSR is not being done free of charge." The Russians never give anything without demanding something in return."

It is merely a matter of time, because there will be further expulsions, which have helped cool Spanish-Soviet relations appreciably and are causing the king's envisaged visit to the Soviet Union to recede into the distance.

Nor does Spanish counterespionage lose sight of other countries' diplomatic missions. Thus there is the Cuban G-2, which has about 50 men scattered throughout Spain, gathering intelligence for the Soviets, many of them disguised as "Gusanos" (anti-Castroist exiles). The Cuban G-2 is a literal and exact copy of the Soviet KGB; like the Algerian secret services, they are also kept under surveillance. The Algerians have many agents in the Canary Islands and Madrid, gathering intelligence on a topic of crucial importance for them--the Sahara.

All these espionage services can be detected by Spanish intelligence. What they find more difficult is discovering how many of the 7,000 children who at the end of the civil war returned to Spain from the USSR, where their parents had sent them during the war, are the children of Spanish citizens and how many are spies.

The intelligence services know that many of them died as a result of the cold and that KGB sent its best agents, who spoke Spanish well, to Spain in their place.

[LD071607] These are also Spies [This section printed as boxed-off inset in magazine]

Following the expulsion of Anatoliy Krasilnikov and Oleg Shuranov, completely reliable sources have assured CAMBIO 16 that 106 Soviet spies, who have been fully located and verified, still remain in Spain.

This magazine has had access to a more modest list of agents. These are the names of nine of them:

Sergey Konstantinov, secretary at the Soviet Embassy. Arrived in Spain 17 August 1977. He is the successor to GRU General Yuriy Isayev, expelled in April 1978.

Boris Karpov, chief of the trade delegation at the USSR Embassy in Spain. Arrived in Madrid 5 September 1977.

Vladimir Volosatov, first secretary at the embassy; following missions in Lebanon, Algeria and France, he arrived in Spain in June 1977.

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Boris Remnev, first secretary. Arrived in Spain 8 July 1977 to replace the spy Gennadiy Sveshnikov.

Evgeniy Astakhov, first secretary. Arrived in Madrid in March 1979.

Yuriy Golovyatenko, "journalist," representative of the APN agency in Madrid.

Vladimir Aksenov, attache at the embassy. Arrived in Spain in June 1978 to replace Popov, the engineer expelled from Weimar S.A.

Vladimir Bogachev, deputy chief of the trade delegation at the USSR Embassy. Arrived in Spain in September 1978.

Yuriy Nikulin, deputy chief of the trade delegation. Arrived in Spain in September 1979.

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COUNTRY SECTION

SWEDEN

INDUSTRY BANKING ON PRO-NUCLEAR VOTE IN MARCH REFERENDUM

Stockholm VECKANS AFFARER in Swedish 17 Jan 80 pp 30-33

[Article by Ewa Thorn: "No Panic: Companies Planning for Nuclear Power"]

[Text] As late as 2 months before the referendum on nuclear power the companies possess no planning and readiness for action in case of a no vote. "It would create excessively negative psychological effects to plan for a shutdown of certain activities," is a common statement. What frightens the companies more than a popular referendum is the risk of increased energy prices and even more the risk of an energy shortage. Swedish industry is built on cheap electrical energy and is hence considerably more sensitive to price than that of the competing countries. The enterprises are furthermore convinced that the yes side will win.

What happens in the industrial enterprises in case of a potential no vote for nuclear power in March? In what way are they preparing?

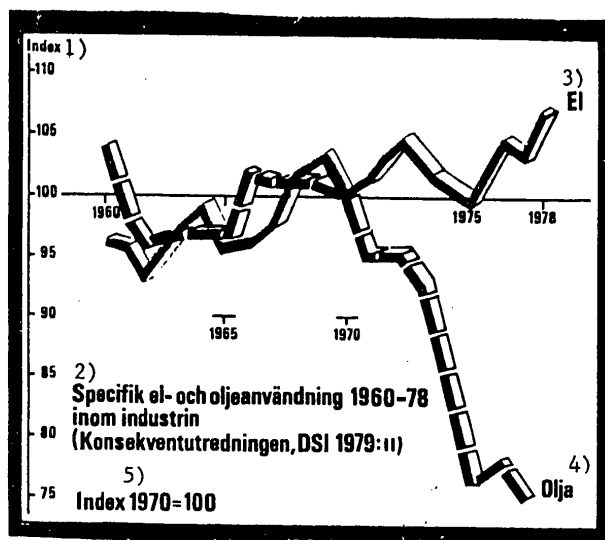
The answer seems to be: Not at all! In practice one does not expect a Sweden without nuclear power to result in A Big Catastrophe Like the Plague (Gosta Bohman's comparison) in the everyday operation of the companies, a picture that is frequently painted in campaign times like these.

In such an event the companies rely on the politicians to soften the effects for industry. And there are energy-saving technology and substitution possibilities to resort to if there is a real need: Internationally seen, Swedish industry is very electricity-intensive.

But in addition: Even the electricity-intensive companies -- those most strongly affected by abolished nuclear power -- seem to have complete faith in a victory for the yes votes.

"We are working with the hypothesis that for factual reasons it is unreasonable to imagine that the no alternative will win. But no matter how the nuclear power referendum turns out it must nevertheless be expected that the politicians' decision will be that industry must have its energy requirement met at reasonable prices," says for example director Gunnar Bjorklund of the steel division of the Sandvik group.

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According to the Impact Committee (DS I 1979:11) Swedish industry has become increasingly electricity-intensive. This means sensitivity to the elimination of nuclear power, but also that substitution possibilities exist.

- Key:
1. Index
 2. Specific electricity and oil consumption 1960-78 in industry (Impact Committee, DS I 1979:11)
 3. Electricity
 4. Oil
 5. Index 1970 = 100

"Furthermore, a no to nuclear power will not hit us overnight but after a period of about 5 years. This is why there is time to deal with the problem when -- and if -- it may come. And this is why we have not felt any need for alternate planning in the face of a potential no in the nuclear power referendum."

Director Rune Nylander of the KemaNobel group describes the nuclear power referendum as irrelevant to the company's planning today:

"What is decisive is not in itself whether nuclear power will be approved or rejected but where the politicians will place the energy price level in relation to other countries -- regardless of whether there will be a yes or a no in March. The threat of excessively high energy prices is present in both cases, and so is the threat of an energy shortage although it will of

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course get worse without nuclear power. It would furthermore have much too negative psychological effects to plan for a shutdown of some of our branches of activity."

"We call for an energy policy which means electricity at a reasonable price, not in itself a yes or no to nuclear power," says director Einar Klinga as well, vice managing director of the Holmen group, which also will not deal with alternative planning until the decision about abolition of nuclear power is actually a fact. "At present we have no current strategic decisions and the uncertainty before the nuclear power referendum therefore has not directly affected our planning, even if it has caused a certain measure of idleness in the work."

The Fagersta group as well will not begin "planning for no" until a decision to abolish nuclear power is a reality, according to the chairman of the company's unit for energy and material supply, director Per Hallstrom. And the same goes for Stora Kopparberg, Sven-Erik Malmblad, head of development and responsible for the energy use of the company, says. "I do not believe that any company has had time to work out alternate plans for the future. It would also be wrong to plan defensively."

Not even at the Smedjebacken Rolling Mill, where the entire existence of the company is threatened if nuclear power is eliminated and the politicians do not soften the effects sufficiently, does one work in advance with any systematic planning in order to potentially meet such a situation. The ongoing investment program is also continuing as before. The company's managing director Leif Gustafsson says:

"We are in the midst of investments which we are already carrying out. And there is not a single current project which we would stop immediately even if there should be a no vote for nuclear power in the referendum. Because we will not get the decision about what the future will look like until the moment we know what to expect from the politicians: Are the common people to carry the burden? Or will the politicians really allow the processing industry to be eliminated?"

Companies in the branches which, according to the Impact Committee will be most exposed in case of abolition of nuclear power -- the forest industry, the iron and steel industry and the chemical industry -- thus apparently do not experience the threat of abolition as so acute or so immediate in time as to be forced to make special plans for guarding against a no vote in March.

An important explanation seems to be that it is not at all abolished nuclear power which primarily worries them about the 1980's. It is the energy situation as a whole which is the source of trouble -- with or without nuclear power -- due to the uncertain future of oil. It is also not primarily energy price increases which one fears as a result of a rejection of nuclear power but in the first hand the risk of an energy shortage.

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Director Sven-Erik Malmeblad, Stora Kopparberg: "What energy will cost in the future will be just as little known in April as today. The most important question if the no alternative should win is instead whether we will be hit by a power shortage and rationing."

Director Per Hellstrom, Fagersta, agrees: "We will have an increase in the cost of energy with or without nuclear power. It is the potential future energy rationing which we experience as the most serious threat if Swedish nuclear power is abolished."

Concern for the energy situation in general has long since influenced the companies in their planning.

At Sandvik one is for example working on active planning in order to reduce sensitivity to potential future oil crises. Director Gunnar Bjorklund, Sandvik:

"The big problem for the companies today is not whether there will be a yes or a no in the nuclear power referendum. The acute problem is instead oil. We know that the 1980's will mean oil price increases. And there is also a risk of shortage situations. This is why we have gradually reduced our oil dependence by about 30 percent since the early 1970's and are planning further reductions of 20-24 percent during the 1980's.

The company's energy consumption in 1978 was about 56,000 cubic meters of oil and about 0.4 TWh of electricity. The guiding light for the 1980's is thus the same as for the 1970's: It is the dependence on oil that is being reduced and not the dependence on electricity in order to meet for example a potential no to nuclear power.

Gunnar Bjorklund: "Our electricity consumption is about the same now as at the beginning of the 1970's and we also do not primarily make an effort to save electricity. The price level of electricity in Sweden has been one of the most important competitive advantages we have had. It is unreasonable to imagine that we will be forced to throw away that advantage. It is simply not a future with which we are calculating."

But abolished nuclear power would imply that not only oil but the electricity consumption as well must seriously come into focus. The internationally seen low cost of electricity of Swedish industry has gradually guided industrial production onto increasingly electricity-intensive paths, above all in the forest industry, the chemical industry and the iron and steel industry.

More Energy-Efficient Technology in Important Competing Countries

A comparison between the consumption of labor and energy in the manufacturing industry in 1967 and the energy and labor supply needed if U.S. or West German technology had been used clearly shows that Swedish industry already at that time used considerably more electricity per dollar processing value

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Swedish Industry Requires Extreme Amount of Electrical Energy

A comparison between actual Swedish labor and energy consumption in the manufacturing industry and hypothetical consumption with U.S. and West German technology (index: Sweden's actual consumption = 100).

	With U.S. technology	With West German technology
Labor consumption (million hours/\$ processing value)	63	109
Fuel consumption (kWh/\$ processing value)	118	96
Electricity consumption (kWh/\$ processing value)	57	47
Total energy consumption (kWh/\$ processing value)	103	84

Specific energy consumption in certain industries in the United States, Sweden and the FRG (kWh/\$ processing value).

	Total energy consumption			Of which electricity consumption		
	Sweden	USA	FRG	Sweden	USA	FRG
Pulp and paper industry	72.4	71.0	56.0	21.1	10.2	8.7
Iron, steel and ferroregulation plants	55.0	38.3	54.6	10.7	4.5	3.9
Non-ferrous metalworking plant	27.4	29.9	17.8	14.9	10.8	5.4
Chemical industry	18.6	26.6	20.0	9.6	4.2	4.9
Total for industry	15.0	13.4	11.6	3.7	2.0	1.6

Source: Bo Carlsson, IYI

From an international point of view, Swedish industry is unusually electricity-intensive, above all in our most electricity-intensive industries. The comparison in the two tables was made by Associate Prof Bo Carlsson, IUI /Industrial Research Institute/ for the Energy Commission in 1977 (DS I 1977:17) and is for 1967. "The picture is probably unchanged today or may perhaps have intensified judging from the calculations of the Impact Committee of the specific electricity consumption in industry during the years following."

than these two international competitors, strictly speaking twice as much seen as a total, according to the study made by Associate Prof Bo Carlsson of the Industrial Research Institute in 1977 for the Energy Commission. The difference was greatest precisely in our most electricity-intensive industries.

These differences -- which have probably been intensified since then since Swedish industry has increased its specific electricity consumption during the 1970's as well while the specific oil consumption has instead decreased according to the Impact Committee (DS I 1979:11) -- naturally indicate that substitution possibilities do indeed exist, that the electricity intensity of Swedish industry is not an absolute must.

"The picture is probably unchanged today and according to the material of the Impact Committee it may perhaps have intensified," says Bo Carlsson of the IUI [Industrial Research Institute]. "In the FRG the prices of electricity and energy have always been high and this has led to a distinct orientation toward energy-efficient technology in the buildup of industry, while favorable electricity prices in Sweden indeed had the opposite effect here in the choice of products and production processes. This causes the reflection that Swedish industry will have possibilities for substitution in the long run but not instantly or so rapidly that it would be possible to counter abolition of nuclear power painlessly. It is a matter of other raw materials, other markets, other machines. And the knowhow in industry is furthermore strongly tied to the production technology used."

Quite a few researchers and experts who participated in the Impact Committee also decisively maintain that there are wide extra margins for saving electricity through technological review of the production processes without changing the production orientation, and the Impact Committee has been accused of a lack of interest on that point.

One of the critics was department director Peter Steen, Defense Ministry Research Institute, who was a member of the committee:

"There is too little knowledge on this point, primarily because there has simply been too little interest in developing it. In the reference alternative (with nuclear power) the committee calculated only with savings of 2 TWh and with only an additional 4 TWh in case of abolition of nuclear power by 1990. The potential for saving electricity is in reality considerably greater, approximately 20 TWh, of which not quite half in industry."

We can achieve such savings during the 1980's with a more conscious energy policy, in the opinion of Peter Steen:

"One of the most important tasks of the energy policy must be, among other things, to erase the differences between what is profitable from a business-economic viewpoint and from a socioeconomic viewpoint. If the companies themselves cannot manage to utilize the savings potential that may not become an obstacle. The communities, for example, should be able to finance

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experts who will visit the electricity-intensive companies and review the opportunities for technological savings."

Civil engineer Stefan Essle, metallurgical researcher at KTH [Royal Technical Advanced School] in Stockholm (who scrutinized Jernkontoret's trade report for the Impact Committee) instead emphasizes that demands on the companies themselves can also be set higher:

"Internally, the companies have much too great demands for the profitability of energy-saving investments and they require much too short depreciation periods for investments in electricity and energy-saving technology. If the Swedish steel mills do not change their way of thinking it will cost them dearly in the long run. They will probably be overtaken by their foreign competitors."

Important known ways of saving are, among other things, increased production of industrial backpressure and regulation of the number of revolutions in pumps. But experts also point to many other possibilities, different from one industry to another, and not least the need for real research on the subject in order to discover additional opportunities. It is possible to use savings in order to erase the impact of an elimination of nuclear power on a limited electricity supply, the experts on the no side believe, but the companies do not agree:

It isn't as easy to save on electricity and energy as may perhaps be thought if one hasn't actually visited the floor of the factories, is instead the opinion of Sven-Erik Malmeblad, Stora Kopparberg:

"The profitability of such investments do indeed increase with the increased costs of power. But they still mean that investment funds must be diverted from other things in which one might have preferred to invest the money."

But a great deal of saving is certainly going on in the enterprises, not only of oil but of electricity as well, even if the steel companies, for example, rank low.

Director Per Hellstrom, Fagersta (with an energy consumption of 0.3 TWh electricity and 55,000 cubic meters of oil):

"Having switched from ore as raw material to scrap means that we switched from heating with coke to a great dependence on electrical energy just as other scrap-based steel mills. The entire steel manufacture is now based on electricity, and investment decisions are made for decades ahead and provide no margin for rapid changes. Steel furnaces and rolling mills are no overnight projects. We have now started looking at savings opportunities in the manufacturing processes and thereby hope to compensate for the increases in energy costs, but no more than that. There isn't much one can do."

Director Leif Gustafsson at Smedjebacken Rolling Mill looks negatively at the possibilities of meeting abolition of nuclear power with electricity savings:

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"Each additional ore in the kWh price of electricity means new annual costs for us in the amount of 2 million crowns. We have small chances of compensation through price increases since the world market sets the price. If we can't get electrical energy at a reasonable price there are no technological electricity-saving shortcuts to survival. It is the electric arc furnace which swallows two-thirds of our annual electricity consumption of 0.2 TWh and that is not replaceable. The sole alternative would be to completely change the direction of production, shut down present production and go in for an entirely different business idea."

Saving Heat and Lighting Yields Only Marginal Results

Stefan Essle, KTH, on the other hand believes that essential savings opportunities do exist: "In the electricity-demanding electric arc furnaces which melt steel through electrical discharge in the steel mills based on scrap iron it is possible, for example, to cut down on electricity consumption by one-third through the method developed in Japan, which is based on additional heat for example with coal powder. That alone would mean savings in the Swedish iron and steel industry totalling at least 0.5 TWh."

The chemical group KemaNobel uses about 1.2 TWh of electricity each year (of which two-thirds are self-generated power and the rest is bought). It is the KemaNord division which is the electricity-demanding one, above all the silicone and carbide production, which will definitely drop out of the picture in case of large increases in the cost of electricity.

"The silicone production requires as much as 14,000 kWh per ton. Even small increases in the price of electricity thus have great impact, but at the same time even small savings in electrical power have great effect percentage-wise," says director Rune Nylander. The company also aims most of its electricity-saving efforts toward the electricity-intensive furnace processes. "It is there we achieve significant results. Saving heat and lighting yields only marginal results."

The forest industry is the largest consumer of electricity in its branch of Swedish industry, but it is also concerning the need for electricity up to 1990 in that branch that evaluations vary the most, from about 12 to about 22 TWh, between people in the industry and outside experts who talk about several TWh of "air" in the calculations of the industry itself. There is agreement that potentials for savings do exist but disagreement regarding the possible extent. Stora Kopparberg, which uses about 130,000 cubic meters of oil and about 1.3 TWh of electricity annually, according to director Sven-Erik Malmeblad, is simultaneously an important power producer which is considerably more than self-sufficient in electricity.

On the side of oil one is looking among other things at possibilities for replacing oil primarily with forest energy (forest waste) and second -- if the infrastructure exists -- with coal. On the side of electricity industrial backpressure already accounts for one-third of the company's electrical consumption. "We have almost reached the limit of what we can achieve in the way of backpressure," Sven-Erik Malmeblad says.

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Electrical Energy Added Largest Amount

Energy use in industry (TWh) and production volume.				
	1955	1965	1978	Increase 1955-78 (percent)
Electricity	13	26	38	+200
Oil products	33	56	60	+82
Other fuels	32	43	49	+53
Total energy consumption	78	125	147	+88
Production volume	49	90	124	+153

Source: Impact Committee's B group, DS I 1979:11

Whatever Happens: Coal Will Increase

Supply of energy raw material according to Impact Committee (TWh)				
	1978	Without nuclear power 1990	Without nuc. power alternative 1 1990	Without nuc. power alternative 2 1990
Oil	310	225	254	246
Coke, coking coal	20	60	111	91
Wood waste products etc.	40	72	74	83
Wind, solar power		4	4	4
Hydroelectric power	55	65	65	65
Nuclear power	20	58	1	1
Total	445	484	509	490
of which total electricity consumption	81	125	105	95
Industrial electricity consumption	39	57	53	50

During the period 1955-78 industry increased its electricity consumption more than any other form of energy and also more rapidly than the production development (index: 1968 = 100). The oil situation is even more worrisome than abolition of nuclear power. The oil column will still be large in 1990 and coal will increase in all of the Impact Committee's alternatives: the reference alternative (electricity consumption 125 TWh in 1990) and the abolition alternatives (105 and 95 TWh, respectively).

Just as for other pulp and paper manufacturers it is above all the production units for mechanical pulp (at Kvarnsveden, semi-owned Utansjo and the planned production at Sandarne) which is in the danger zone with increased electricity prices and tighter supply. Because mechanical pulp requires a six times greater supply of electricity than chemical pulp.

For Holmens Bruk each ore of increased energy price means a cost increase of nearly 20 million crowns, according to vice managing director Einar Klinga.

"This is why energy-saving measures have always been important to us. We have consistently concentrated on generating backpressure where it was possible in connection with new investments. And regulation of the number of revolutions is an equally obvious complement when making new investments in large fans and pumps."

Holmens Bruk uses about 2 TWh of electricity annually and is one-third self-sufficient.

Einar Klinga: "It is not possible to deal with the consequences of a no to nuclear power only through energy savings. But we also do not have to sleep badly each night. There are, after all, substitution possibilities, although they cost a great deal. We can change foot and enter paths which demand less electricity, even if it should mean difficult conversions and a stagnation in development."

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