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West Europe Report

(FOUO 18/81)

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ECONOMIC

FRANCE

NATION'S SPACE TECHNOLOGY EXPORT POLICY PROJECTED

Paris AIR & COSMOS in French 7 Feb 81 p 47

[Article by Pierre Langereux: "Ambitions of National Space Export Policy"]

[Text] The results of a recent CNES [National Space Studies Center] survey of about 15 public agencies and French manufacturing companies* concerning space exports were disclosed by Jean-Gerard Roussel, CNES director of international and industrial affairs, during the second meeting of the Space Club, which was held on 3 February 1981 in Paris under the chairmanship of Michel Bignier, ESA [European Space Agency] director of space transportation systems.

French space exports for 1974-79 were relatively modest but encouraging-- Fr 50 million for space equipment sold to various countries, particularly with the help of Prospace; Fr 60 million for French equipment in Intelsat 5 satellites; Fr 70 million for the French portion of Ariane launchers sold to Intelsat by the ESA and Arianespace; and about Fr 150 million annually in the last few years from the market for telecommunications ground stations marketed by Telspace--thus representing most of the French space exports in the seventies.

A definite increase in space exports has been evident since 1980, particularly with the firm order for two more Ariane launchers by Intelsat and the options taken up by other customers (for a total of Fr 5 million). The market for ground stations for receiving and processing data from observation satellites (SPOT [civilian observation satellite] and LANDSAT [Earth Resources Technology Satellite]) also opened up last year with SEP sales to Brazil and Bangladesh and two or three other deals already well underway. French industry also appears to be in a good position for bidding on Arabsat telecommunications satellites.

The French space industry expects even much better things in the future.

The report of the aeronautics and space group of the 8th Plan Industrial Commission (1981-85) anticipates: Fr 4 to 7 billion for launchers, with Fr 1 to 2 billion in exports; Fr 7 to 9 billion for satellites, with Fr 1.5 to 4 billion in exports;

*CNES, Arianespace, Prospace, Telspace, Satel-Conseil, MATRA [Mechanics, Aviation and Traction Company], AEROSPATIALE [National Industrial Aerospace Company], SEP [European Propellant Company], Thomson-CSF [Thomson-General Wireless Company], Sodern, EMD [Marcel Dassault Electronics], Crouzet, Souriau, SODETEG [Technical Studies and General Enterprises Company].

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Fr 4 to 7 billion for ground stations, with Fr 3 to 6 billion in exports; or a total of Fr 15 to 23 billion, with about half from foreign markets.

The CNES study for 1980-90 in turn notes "very likely" markets amounting to Fr 25 billion for satellites (out of a total of Fr 40 billion), with Fr 11 billion outside the United States and Japan, between Fr 2 and 3 billion for various goods and services and Fr 0.7 billion for ground tracking equipment. The potential market for launchers is estimated at 25 launchings in Europe (with a potential of 46), 20 in the United States (out of 30) for civilian launchings only (1985-90) and 24 (out of 45) for other countries and Intelsat. Direct television represents 4 to 18 launchings (outside of Europe, the United States and the USSR) and scientific satellites 1 to 2 launchings per year.

Relying on the captive intra-European market, the European space industry could, as a "relatively ambitious" but still accessible goal, be thinking of taking 25 to 30 percent of the world market despite the already keen competition of the American industry, which will be followed by that of the Japanese space industry within 5 years.

France's goal is to double its turnover for space operations through exportation. "The French space effort, which now amounts to about Fr 3 billion annually, should have great success with exports," CNES General Director Yves Sillard stated, in the case of launchers (Ariane) and Satellites (SPOT, TDF 1, Telecom 1, etc.).

This ambitious space exports policy rests on five "pillars": 1. Improvement of technical credibility by implementing the national plan for operational systems. 2. Increasing the competitiveness of products through innovative capabilities, appropriate technical assistance (through Satel-Conseil), an "aggressive" financing policy and appropriate industrial organization (increasing the prime contractor's tasks, mass production, etc.). 3. An effort to promote French space technology among potential users by every means possible (Prospace, companies and perhaps an "industrial trade structure suited to exportation") and through geographic, regional and national approaches (CNES experience in Africa). 4. Development of industrial capabilities through a research and development program in keeping with ambitions. The CNES has thus proposed that the French Government triple the research and development effort for space, which will probably increase from Fr 35 to 120 million in the next few years. The completion of a new major space program such as SOLARIS would support such a move. 5. Development of an "industrial marketing strategy" suited to potential markets classified into five categories--Europe, the United States, major international organizations (Intelsat, Inmarsat, NATO), new space powers (China, Japan, Canada, India), and other countries.

Such an effort obviously requires everyone's participation: public authorities, industrial and space organizations, prime contractors and subcontractors.

Unfortunately, a certain amount of antagonism has been noted between prime contractors and outfitters of equipment. In response to the appeal for "unity" made by prime contractors, who want to see their outfitters participate more actively in the commercial effort required by the competition, subcontractors expressed "grave concern" about certain practices of leaders, which put them at a disadvantage (competitive practices, etc.).

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In addition to these difficult relations between large and small companies, there are also industrial reorganization projects on the national or European level, recommended by some for the sake of efficiency, competitiveness, etc.

J.-G. Roussel also pointed out the "relative industrial spread," which results in a European prime contractor accounting for only 25 to 30 percent of the turnover from satellites, whereas in the United States a "major firm" in the space industry, such as Hughes Aircraft, takes in 60 to 80 percent of the cost of a program through its subsidiaries.

The CNES, which has expressed its support for prime contractors, recommends a "reorganization of operations" in favor of large manufacturers, while confining outfitters to "precise slots."

It is "necessary to combine and coordinate the positions and operations of industrial prime contractors," according to Yves Sillard, who nevertheless does not believe that large "industrial reorganizations" are appropriate.

On the other hand, we are seeing new transatlantic partnerships being formed between American and French firms, particularly in the area of telecommunications, such as MATRA with Harris or AEROSPATIALE with Ford Aerospace.

As AEROSPATIALE Director of Ballistic and Space Systems Pierre Usunier said: "There is only one kind of good cooperation, the kind that succeeds!"

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ECONOMIC

ITALY

CONCERN OVER EEC'S AGRICULTURAL BUDGET CUTS

Milan IL SOLE-24 ORE in Italian 23 Jan 81 p 3

Competition Is the Only Recipe

[Text] A specialized Burssesl bulletin comments on the upcoming cuts which would be proposed in expenditures for the support of agricultural markets in order to reduce by approximately 1,000 billion lire the community's annual total expenses, of which, it may be necessary to point out, the farmer's burden is about 70 percent. In the same article, it was emphasized that, among the products for which reductions or limitations in subsidies were forecast, there were many of prevalent or even exclusive Italian interest, like wheat, tomatoes, olive oil, cattle (with respect to the reward for cattle production), fruit products (with respect to the reward for marketing), tobacco, and wine.

Even if the possibility of reducing Common Market expenses sustained for various reasons in support of agricultural workers had already been suggested numerous times in the recent period, the news worried the representatives of national agricultural policies, especially in view of the delicate present economic condition.

As is well known, and has been stressed repeatedly from several parts for a long time, the serious gap between the rate of increase in the prices of products sold by farmers (8 percent according to IRVAM for the period from November 1978 to November 1980 and for all products) and that, remarkably higher and more in line with the general increase in the cost of living, of the price of products purchased, has created and is creating considerable difficulties in numerous agricultural sectors.

The net decline in real terms of agricultural prices (which, besides, turned into a very modest advantage for the consumer, since, in the same period from November 1979 to November 1980 the consumer price index of food products increased by 16.6 percent namely at a rate not too different from that of the general consumer price index, which was 21.5 percent) up to now has only had marginal effects on production and on foreign trade. According to some recent, still preliminary, INEA [National Institute for Agrarian Studies] projections, the gross marketable agricultural production increased, in fact, approximately 2 percent in 1980, a not at all negligible result, particularly in consideration of the exceptional increases which took place in the 2 previous years.

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The agricultural food products deficit then, appears, on the basis of the November figures, much less alarming (as we predicted, moreover, in a previous article in this paper) than that previously announced by several press agencies and our export problems are partially attributable to specific interrelated situations (wine, preserves, vegetable and fruit products, etc.).

Obviously, in the short term, it is essential to reduce or eliminate the differences between the rate of increase in prices received by farmers for the sale of their products and that of the prices of goods purchased, by raising the former or lowering the latter (not an easy task). Furthermore, it will be up to our delegation at Brussels, and in particular to the new minister of agriculture, "to win" the best possible conditions for the Italian products. But to be able to formulate, or even just to outline, a broad discussion, it is essential to try to understand the contingencies which will prevail in the coming years for Italian agriculture. It is our opinion that the situation of "great shorage" may continue for a rather long time.

In the first place, it is probably that, at least during the next five-year period, for the majority of food markets, outside of contingency situations which may always occur, conditions of excess supply over real demand will prevail without, therefore, particular pressures on prices. This opinion (totally contrary to that which appeared in Monday's CORRIERE DELLA SERA) is expressed also by FAO in its publication "FAO Agricultural Commodity Projections 1975-1980", issued in 1979, which notes that the only products for which there may be structural conditions of shortage in the supply side are those of natural rubber and fish. A correction, even quite sizable, in this state of affairs could occur, however, with the defusion of "energy crops" (destined for the production of alcohol or other fuel, as an alternative to those derived from oil).

This phenomenon, however, may materialize (and only under specific conditions of the oil market) in a substantial way, such as to reduce noticeably the supply of agricultural products destined to be used as foodstuff only in the distant future. Even if it is for a wide range of products, the EEC sets the levels of Common Market prices independently from those in effect in world markets, it is clear that, in the long run and for numerous reasons, the immobility in real terms of world prices will tend to halt the increase of those of the Common Market.

Another consideration, more direct but in part connected to the previous one, concerns the total amount that the EEC will, in the coming years, be prepared to allocate to support agricultural markets. It is probably that the tendency toward containment will go on; apart from Great Britain's position, which leans in this direction, there is also the conviction that, at this point, European farmers are no longer in a disadvantaged category, needing, therefore, additional subsidies (and the same, luckily, can be said for a large part of Italian farmers).

Furthermore, the recent entry of Greece into the EEC and that of Spain, coming sooner or later, will influence the level of support available for Mediterranean products (wheat, wine, olive oil, tomatoes) presumably causing a reduction of unit prices (it is inconceivable, for instance, that in the future such a heavy subsidy may be maintained for the transformation of tomatoes, when the Italian production will be augmented by that of Spain and Greece).

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Finally, it must be taken into account that, for all those products for which the quality factor plays a relevant role (and, in particular, for produce and wine), there will be increased competition from Mediterranean countries (Greece, Spain, Algeria, Morocco, etc.), as well as from importing countries (as is the case of the United States for wine) which are gradually acquiring the necessary production and marketing capabilities.

Therefore, there will still be ample room, both in the EEC and the world markets for our agricultural products, but the possibility of fighting the competition of foreign producers will depend, in growing measure, on the competitiveness of our products from the standpoints of quality and price, since the Common Market's protective conditions will diminish.

A possible reaction to the consequences of the scenario described above is to limit ourselves to increasing the already high subsidies which, domestically, are being carried out in support of agriculture, in order to counterbalance the decrease in those of the Common Market.

This is not, in our opinion, the correct strategy (needs for containment will be felt, among other things, also in the domestic budget of the Italian government).

It is desirable, on the contrary, for public authorities to encourage, not to oppose, the existing movements for the formation of a more competitive agricultural market that is subject to international competition.

For a long time Italian agriculture has been, due to the existing legislation, a protected sector characterized by the simultaneous presence of efficient and technologically advanced enterprises and by marginal enterprises (not only in depressed areas), in which it is extremely difficult to introduce new productive forces.

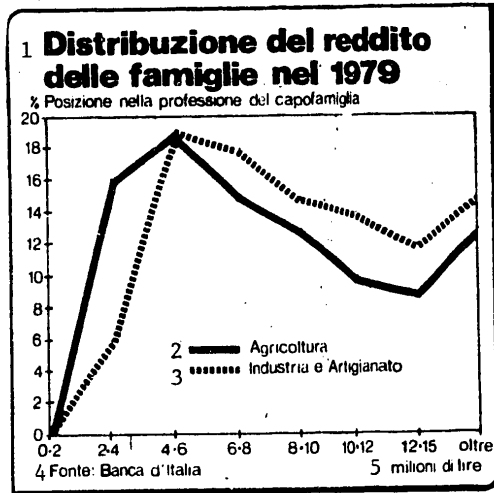
We believe, therefore, that the time has come to begin favoring (in a fashion required by the situation, of course) a greater mobility of resources (for example, reducing the rigid conditions for farm leasings), in order to encourage the formation of new efficient enterprises, in addition to those already existing, capable of competing in international markets and of challenging foreign producers in domestic markets. Greater attention should be given, in choosing enterprises worthy of receiving financial help, to considerations of a productive nature, often unfortunately not regarded as prime considerations by public administrators in charge of managing subsidies to agriculture.

A move in the opposite direction may succeed in freezing some marginal situations but could, in the not too distant future, displace ample sectors of Italian agriculture.

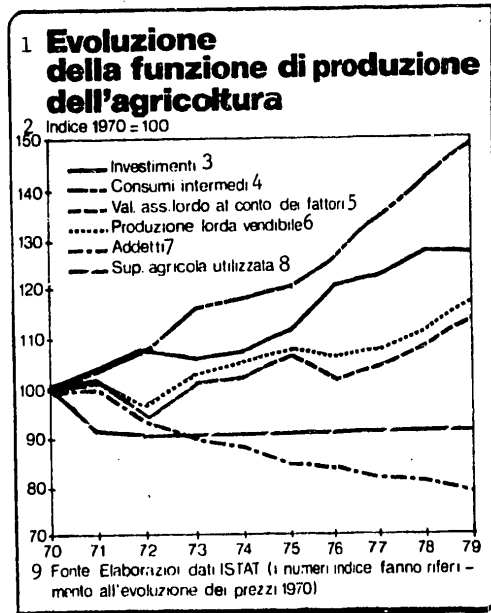
In conclusion, we believe it is true that agriculture is still a different sector requiring special treatment, but just as true is the fact that it is becoming a less different sector, for which we would be inclined to apply the rules which exist in the rest of the economic system.

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- KEY:
1. Distribution of family income in 1979; by employment sector of head of household
 2. Agriculture
 3. Business and Crafts 15
 4. Source: Bank of Italy
 5. millions of lire



- KEY:
1. Evolution of the production function of agriculture
 2. Base year 1970 equals 100
 3. Investments
 4. Intermediate consumptions
 5. Reported gross value
 6. Gross marketable production
 7. Labor
 8. Farm land utilized
 9. Source: ISTAT [Central Statistics Institute] (index numbers refer to the evolution of 1970 prices)

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ECONOMIC

SPAIN

OFFICIAL FORECAST: 0.5 PERCENT GROWTH, TWO MILLION UNEMPLOYED

Madrid CAMBIO 16 in Spanish 2 Feb 81 pp 42,43

[Text] The relentless advance of unemployment continues. During 1980, 438,100 jobs were lost in Spain, although unemployment increased by 364,00. The difference is for the most part accounted for by mandatory and voluntary retirements.

The figures are already nearing red alarm proportions--by the end of 1981 we will be on the verge of 2 million unemployed--but what is even more worrisome is their rapid rate of growth. Since the start of the economic crisis in 1975, and of the start then of the major unemployment trend, there has not been as meteoric a rise in the latter as the one that took place in the last quarter of 1980. All hopes in this regard, such as the one the economic ministries had been trying to convey, have been dashed by the official figures. The attempt to disguise reality by basing the figures on unemployed from the age of 16 up, instead of from that of 14 as had been the norm until September 1980, will not succeed in covering up a problem that has gotten out of hand. Government sources have admitted to this magazine that the situation will be explosive by the time 2 million unemployed has become a reality. And this figure is just around the corner: Unless the economic situation changes radically and urgently, the 2-million-unemployed figure will be reached by February 1982, that is, within exactly 12 months.

Far from showing any signs of recovering, the economic situation continues at a standstill. According to the Banco de Bilbao, whose forecasts have characteristically been extremely accurate thus far, the Spanish economy is currently teetering at the ominous level of zero growth. More optimistically, the Ministry of Economy indicates that it may be growing at a rate slightly above 0.5 percent.

In either of these cases, and whatever happens between now and December 1981, there are certain to be no jobs for the 140,000 persons coming of employment age--including some 20,000 women who will be seeking employment for the first time, to cope with family problems--in addition to which close to 150,000 jobs will be lost.

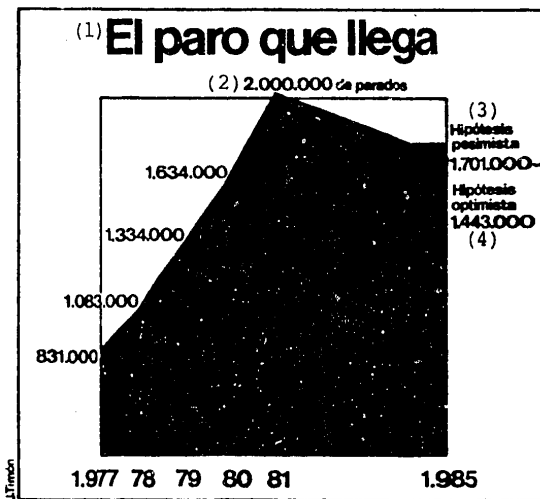
An idea of the seriousness of the problem may be gained from the fact that, to avoid further job losses and allow the unemployment figures to be swelled only by youths coming of employment age, the Spanish economy would have to grow at an average annual rate of 3 percent, whereas all agree today that in no case will it reach 1 percent.

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Even the government's most optimistic forecasts indicate that the 1981 growth rate cannot reach 2 percent. And to so much as approach that level, the government must hope that exports, as occurred in 1980 with the century's record harvest, will lead the economy out of its present predicament. How? Thanks to the sharp drop of the peseta, which in 6 months and in absolute silence has been devaluated approximately 15 percent.

The Ministry of Economy, concerned over the unemployment outlook, has drawn up a report on "Projection to 1985 of Spanish Economy's Employment Demand," the results of which have already been made known by the working group appointed to the task by Jose Luis Leal when he headed that ministry. The results are so disappointing that the entire issue of 3,500 copies has been pigeonholed in the basement of the ministry and will be circulated only after the 16 pages containing these forecasts have been removed.

The report, to which CAMBIO 16 has managed to have access, points out that even under the most optimistic of hypotheses, namely, that the Spanish economy might grow at an average rate of 4 percent annually between 1980 and 1985--which is the figure submitted by Prime Minister Suarez to the Cortes for the vote of confidence--unemployment would not drop to less than some 1.5 million by the end of that period. To this funding must be added that growth at that assumed rate is seen today as absolutely utopian after the 1980 setback and the 1981 forecast.



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In sum: The government's hands and feet are tied with regard to preventing the 2 million unemployed from becoming a reality in the near future. And if it is going to prevent that figure--"whose psychological effects will already be disastrous," according to government sources--from growing beyond further containment, it will have to speed up measures to bring the GDP [Gross Domestic Product] growth rate up to 4 percent by 1982. This currently appears to be little better than impossible.

What is being done to address the problem? Mere patchwork measures that do nothing beyond raising the scholastic age, lowering the retirement age, and minor ineffective aids to stimulate employment.

"Let us not hoodwink ourselves," says Jaime Garicano, deputy director general of the National Employment Institute, "the only way to stimulate employment is through growth. The Ministry of Labor cannot generate job openings. It can favor the creation of some jobs with juvenile employment programs, in the form of subsidies and special aids to depressed zones, but the nation must be told that job openings are created by public and private investments."

In the view of officials of the Ministry of Economy and Commerce, there are but two realistic options for addressing the unemployment problem: develop part-time work agreements, which is already provided for in the Workers Law but has not been developed by the Ministry of Labor, and, above all, reduce the pressure being generated by Social Security on the creation of new job openings. "Social Security, as it is currently being funded, is an infernal machine against employment and is causing more damage to employment than the economic crisis itself."

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ECONOMIC

SPAIN

GOVERNMENT WORKS ON VAT, LAST OBSTACLE TO EEC ENTRY IN 1983

Madrid CAMBIO 16 in Spanish 16 Feb 81 pp 42, 43, 44

[Excerpts] By March, the Council of Ministers expects to approve the new VAT [Value Added Tax], to enable Parliament to complete its enactment between April and May. The VAT is the final part of the tax reform, and it was Fernandez Ordonez himself who drew up the initial draft. This was later adapted more to EEC norms, which required a second draft that is now being given its final touches by the different ministries and departments concerned.

"The institution of the VAT is a European Community requirement. The EEC has insisted unequivocally that Spain must institute the VAT from the moment of its entry. For us, I must state clearly, it is an essential requirement," Robert Goergen, the EEC's director of taxation, said recently.

Besides, however, the VAT can kill two birds with one stone. As of today, the manner of funding Social Security--basically, through contributions by the enterprises and the workers--has become a tax on employment, an obstacle to the creation of job openings. In other countries (and this is the objective here as well), the tendency is to fund the greater part of Social Security through direct allocations by the state and, in some countries, the VAT is used to generate these funds. Here, the Social Security funding authorities have already requested that part of the VAT be allocated to the funding of a portion of Social Security.

The VAT is to replace three current taxes (General Tax on Business Transactions, Luxury Tax and Special Tax on Soft Drinks) as well as the Agrarian Social Security contributions. The principal one of these, the General Tax on Business Transactions [IGTE], besides not being acceptable to the EEC, also has many disadvantages that the VAT will resolve. Since it is a cascading tax on consumption, its effect increases with growth of the productive processes and the distribution of goods. This distorts the market, discriminates against small and medium business, and fosters the concentration of enterprise.

Moreover, the IGTE does not affect large sectors of the petrochemical, farming, forestry, livestock, fishing and food industries, which distorts free competition and the allocation of resources. The VAT will affect all sectors equally.

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The major problem being posed by the IGTE, however, is its distorting effect on international competition, which is the reason the Europeans are making its abandonment a prior condition to our entry into the EEC. Currently, with the IGTE, Spain makes tax adjustments at the border, collecting levies on imported products and paying tax rebates on export products. The IGTE being a cascading tax, the levies and rebates are closely tied to the magnitude of the goods-production process, making adjustments inequitable. And the EEC member countries accuse Spain of using this system to subsidize Spanish exports while penalizing imports (the famous "dumping" process).

The institution of the VAT offers several advantages and has produced favorable results in almost all of Europe. In the first place, it is an even-handed tax on foreign trade and on employment. That is, it is not protectionist and does not penalize employment, since it is based on the difference in value at the various stages of consumption of products, and not on whether much labor or much technology has been used in their production.

The VAT moreover improves competition among enterprises by clarifying the tax picture: With the IGTE, many enterprises underpaid the tax and were able to undersell fraudulently. Now, each enterprise will declare, will compel others to declare, and will be compelled by others to declare, thus reducing the risk of fraud and facilitating market transparency.

Thirdly, it will compel enterprises to become more competitive abroad, and may well even operate to improve substantially our balance of payments, as a result of an increase in exports.

The implementation of the VAT nevertheless requires careful advance preparation. Our entry into the EEC is not in vain, in that, with the VAT, protectionist tariffs disappear and competition becomes more open. "This is our most important decision of the 1980's," Luis Fernando Alemany, deputy director general of Indirect Taxation and one of the authors of the VAT project, has told CAMBIO 16. "The stakes involved in the institution of this tax are high, and it therefore requires much preparation, explanation and close monitoring," he adds.

Serious Difficulties

Businessmen have for years been fearing the "tax storm" that is about to strike them. "The implementation of the VAT in Spain will raise very serious difficulties in the current situation of enterprises and of the Spanish economy; hence, the need for a transition period in which to adapt to EEC guidelines in this regard is absolute and must be taken into account to minimize the possible traumatic effects on our productive apparatus," says a private CEOE [Spanish Confederation of Business Organizations] document on integration into the EEC.

The Ministry of Finance is aware of this issue and is preparing, with the cooperation of various economic specialists, a study on the effects the institution of the VAT could have in each sector, with the intent of presenting a kind of

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White Paper or Book within 2 or 3 months. "The VAT will affect our future economy tremendously," says Luis Fernando Alemany. "It will have a decisive impact on the production and distribution of goods, and on the entry of foreign products as well as our exports."

Furthermore, the tax authorities also favor the establishment of a transition period. Alemany thinks that after approval of the VAT by the Cortes, 3 years will be needed to apply it fully. The first of these would be needed to develop its norms and plan it; the second, to prepare the tax administration structure; and the third, to explain the tax to the taxpayers. This takes its implementation beyond 1 January 1983, the date planned for Spain's entry into the EEC; but an extension of the date for implementation of the VAT could be requested, as Greece has just done.

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POLITICAL

FRANCE

COMMENTARY ON U.S. QUEST FOR SUPPORT OVER EL SALVADOR

LD051525 Paris LE NOUVEL OBSERVATEUR in French 2-8 Mar 81 p 36

[Article by Francois Schlosser: "Sedatives for Reagan"]

[Text] A dangerous honor will probably be bestowed on the wretched Salvadoran peasants. Deeming that they are the target of "flagrant soviet adventurism," Reagan will take advantage of the situation to make them pay for 5 years of American frustrations in Saigon, Luanda, Theran and Kabul.

The Salvadoran peasant has not been chosen by mere chance. Reagan's experts were seeking an "excuse for a showdown" [suuet de crise] to very rapidly demonstrate their virility. According to certain leaks, the National Security Council established precise criteria for the choice of victims. Everything had to take place at spot where America enjoyed definite superiority, would run no major risk and could produce adequate proof of "communist interference." Living not far from Cuba and Nicaragua, the Salvadoran peasant was an ideal customer.

In order to convince the allies General Haig, the new Secretary of State, has skillfully organized a publicity blitz over Europe. Waves of official delegations, groups of high officials, experts and--confidentially--intelligence agents have followed one another, some of them via the front doors, others via the back doors of European chancelleries. Their attache cases overflowed with documents proving that sizable arms supplies from communist countries have been reaching the Salvadoran rebels via Cuba. Haig even insisted that the EEC stop sending humanitarian aid--food and medical supplies--which could further the war objectives of "Marxists" in the Salvadoran hills. And, above all, the White House envoys demanded that European governments deliver one by one a ritual statement of allegiance acknowledging the existence of foreign interference in El Salvador and supporting the American crusade.

The Intermediaries

The Europeans were embarrassed, even annoyed. And, most of all, they were concerned about other things--in Poland, a truce has been achieved--just--but it is fragile: in the USSR, the 26th Congress, which will determine the guidelines of an economic policy and the framework of Soviet diplomacy for the next 5 years has been taking place. And since Monday, when Brezhnev admitted for the first time that the world economic crisis has affected the socialist countries and simultaneously offered a

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number of unexpected strategic and military concessions, the Europeans have found it difficult to get worked up in addition about some skirmish--albeit a bloody one--between rebel guerrillas and an overly repressive army somewhere in Central America.

However, it has been realized in Paris and also London and Bonn that American feelings should not be hurt at this precise moment. Tribute has been paid. Jean Francois-Poncet opened up first and said what Washington wanted him to say. France has nothing to lose in El Salvador and Giscard has everything to gain by covering himself with a part of Reagan's mantle of anticommunist toughness at a minimal price, since he has been very strongly criticized on the eve of the presidential election of his "softness" on the Soviets. On the following day it was Mrs Thatcher's turn to submit but she did it less cynically and more honorably. She condemned communist intervention but, largely following in the footsteps of the British press, expressed disgust with the butchering regime which Washington supports in El Salvador.

As for the Germans, they have been the most embarrassed. The Salvadoran guerrillas are known in Bonn, where it is realized that not all of them are bloodthirsty communist and, more particularly, that there are some staunch social democrats, members of the socialist international, among them. Obviously, Reagan's wishes will be complied with so far as condemnation of foreign intervention is concerned but, at the same time, the Germans will offer to act as intermediaries between the rebels and those members of the Salvadoran government who are willing to accept such mediation.

All this means that the Europeans have gone through the motions of condemning arms suppliers. They believe that they had to do this to calm the Reagan team down. They now hope that more serious problems will be tackled. Brezhnev's proposals, which were made under the solemn auspices of the 26th Congress, cannot be dismissed out of hand. Obviously, they could well divide Europeans and aggravate the existing crisis between Europe and America. But it would be dangerously simplistic to assert that this is their only objective. Even Reagan and Haig have taken note of them. Hence the hesitation and embarrassed and contradictory commentaries, for Brezhnev has simply offered to renegotiate the strategic arms agreement, which the Americans have signed but not ratified, and extend military "confidence-building measures"--information about troop movements, observation of military maneuvers on the spot and so forth--to European Russia as far as the Ural Mountains. This is a plan which the French have advocated for the past 2 years but which the Soviet have hitherto rejected forcefully and almost indignantly.

Systematic Arrogance

Brezhnev's proposal to freeze medium-range nuclear missiles in Europe is even more significant. Of course it is unacceptable in literal terms since it would confirm the deployment of some 150 Soviet SS-20 missiles without any reciprocal concessions. But talks based on Brezhnev's proposal could lead to an acknowledgement of parity, which Helmut Schmidt would like to see accepted by both sides, through either the dismantling of certain Soviet systems or the deployment of an equivalent number of American devices in West Europe. All these subjects are politically explosive not only in Germany, where the "antinuclear revolt" is in full swing, but also in the rest of Europe.

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Prior to their visits to Washington, the most important European foreign ministers--French, German and British--met secretly in Bonn. Europe fears that the White House could step up the arms race in order to reestablish American strategic superiority over the USSR. The French and Germans have quite openly urged Washington not to yield to this temptation, which would lead to an even deeper and more lasting deterioration of East-West relations. At Boston Fletcher School, Francois-Poncet emphasized that it was no longer possible to imagine "a situation in which the consequences of a rift in Europe would be accepted with a light heart." Furthermore, the Europeans repudiate systematic arrogance--whether verbal or military--toward Third World countries in which the West has strategic or commercial interests.

As far as the immediate future is concerned, the question is how far the new Washington administration will go to appease the American rights's most exaggerated phantasms--it is known that many of Reagan's followers dream about "bringing" Castro "to heel." Will the present incursion into El Salvador be sufficient to calm them down? Will Reagan go so far as to subject Cuba to a military blockade? This would be tantamount to risking a resumption of cold war in Berlin, in the heart of Europe, at a time when Brezhnev's undoubtedly self-seeking but not insubstantial proposals could make it possible to explore some paths less dangerous to all concerned.

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POLITICAL

FRANCE

PURPOSE, LONG-RANGE IMPLICATIONS OF RECENT PCF ACTIONS

Recent Events Summarized

Paris L'EXPRESS in French 21-27 Feb 81 pp 71,72,74

[Article by Robert Schneider: "PCF: The Fascist Offensive"]

[Text] Suddenly, from the balcony of the Palace, the Parisian dance hall in vogue, on Rue Faubourg-Montmartre, CGT [General Confederation of Labor] stickers and Marchais badges are flung upon the stage and a chant arises: "Cho-cho-cho, chomage, ras-le-bol!" [Down with unemployment, we have had it up to here!]. There is confusion under the multicolored laser beams. A broadcast is interrupted. The program "20 Years-To What Use?", being broadcast live over Antenna 2 and Europe 1 on Monday 16 February, dedicated to 7,617,000 French people between the ages of 17 and 25, and having hardly begun, was terminated--censored by 150 communist and CGT militants.

After cries of "Racism to the bulldozer!" and calls to the denouncement of drug users, abrupt censorship. After Poujadiste demagoguery, provocation. Has the PCF [French Communist Party] lost its head? Or could it be the victim of tactless zeal on the part of some restless local elected officials? No. These power bids are planned bids. A general, systematic offensive has been decided at the highest party level.

Vitry-sur-Seine, communist electoral stronghold in Val-du-Marne, on Christmas Eve night: In a matter of minutes, in the presence of the mayor, Paul Mercieca, some 50-odd PCF militants ransacked an immigrant workers center into which 318 Malians had just--temporarily--moved. The attackers had been divided up into specialized commando units. One unit seized the director of the center and stole 600 keys, another ripped down the telephone lines, another sabotaged the electric power panel, and still another destroyed the boiler burners, while a bulldozer demolished stairways and walled up doorways.

Montigny-les-Cormeilles, in Val-d'Oise, another communist stronghold, on 7 February: The mayor, Robert Hue, girded by his tricolor municipal sash, demonstrated at the head of a delegation beneath the windows of an alleged drug trafficker,

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demanding his denouncement in the name of public morality. A big-time trafficker? No, a Moroccan laborer. The evidence? An accusing letter which the mayor had been carrying in his pocket for 10 days. It had been "written" by a woman neighbor of the Moroccans, Hassa Benachour, a member of the PCF... who does not know how to write... and at whose home police later found, on 18 February, a large quantity of drugs, though they had not found any at the Moroccan worker's home. Hue, who had suddenly labeled the quiet nearby town of Patte d'Oie d'Herblay "a triangle of death by overdose" and called upon the population to form watchdog committees to report traffickers and addicts, had never before indicated having the least problem in his township. These "revelations" preceded by a few days a meeting that was held in Val-d'Oise by the PCF secretary general.

Paris, 16 February: The perturbers entered the premises of the Palace using false invitations. A woman of around 40 years of age led the operation. From the balcony, she negotiated with the organizers of the show. If they would agree to the presence of a CGT representative on stage, the broadcast could resume. The response by Jean-Pierre Elkabbach, manager of public relations of Antenna 2: "I refuse to negotiate under duress." The broadcast did not resume.

Most of the 33 youths who had been selected to take part in the program's debate are furious against the demonstrators. Even though they shared the same ideas. The first questions, in any case, showed that the sampling had not been "rigged" to please the Government. They dealt essentially with unemployment--half of these youths were unemployed--and with the attitude of adults in their regard. "We had spent the entire afternoon Sunday preparing our questions," one of them explains. We had a lot of things we were going to address. The program's quiz masters tried hard to have us talk of politics and sexuality. But none of us were interested in those issues." Another says: "After the occurrence, I remembered that our "colleagues" who belonged to the CGT, the Communist Youth, and Communist Students--they were six in all--had not opened their mouths throughout our preparation. Of course not, because they knew the broadcast would not take place. We were well had by them."

Little Fears and Big Cowardices

While the program organizers drew the guests, which included Minister Monique Pelletier, toward the buffet that had been laid out in the Privilege, the fancy nightclub located in the basement of the Palace, Edmond Maire, another guest participant in the debate, who had remained behind in the program hall, tried to dialog with the youthful perturbers. Which did not prevent the leader of the CFDT [French Democratic Confederation of Labor] from being accused the next morning by Georges Seguy "of having let himself be duped to the point of appearing before the youths to side with the Government and management." The CGT leader was more adroit when, addressing the substance of the occurrence, he said: "Suppose the Polish television network had organized a debate on youth in Poland from which it had tried to exclude the most representative Polish union: Solidarity. We would have heard in France a concert of imprecations... But when

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it is done by the French television network against the most representative union federation, they find it normal. And when the CGT protests and demands the right to speak, it is sabotaging the broadcast."

A good argument, except for the fact that the CGT and the PCF had not been excluded: Their members were among those invited to debate.

Vitry, Montigny, the Palace: Three sensational "hits" approved publicly "without reservations" by Marchais. But not isolated actions: The mayors of Aulnay-sous-Bois and Champigny have announced they will accept no more immigrant workers. The mayor of Dammarie-les-Lys is demanding--vainly--the expulsion of immigrants from one center; the mayor of Ivry, the establishment of a foreign infants quota in vacation camps. Worse, at Saint-Denis and at Nanterre, HLM [Low Cost Housing Program] housing is being denied to Antilleans, hence to Frenchmen guilty of being Blacks. At Villeurbaine, Communist Youth has requested its members to furnish the organization's leadership the names of lycee students who take drugs. (See subsequent article herein by Jacques Derogy and Jacques Roure).

And thus we have: the "party of the working class and of the international proletariat" attacking the weakest of workers: the immigrant workers; the "party of freedoms" calling for false denunciations; the "party of revolution" positing itself as the champion of the moral order, the spokesman of racist France, the France of little fears and big cowardices. Who will their next victims be?

This is certainly not the first time the PCF attacks the values it claims to defend. Its history is filled with acts that contradict its doctrine. This same cynical and violent PCF had so diligently tried to appear reassuring during the period of the joint platform as to have almost succeeded in making itself forgotten. It is not all that long since the time of "democratic socialism in the colors of France," of the friendly hand extended to the Christians, of the friendly hand on the shoulder of the small businessman and the merchants. At that time, only "Big Capital" occupied the bench of the accused. It is not all that long since the time when the MRAP [Movement Against Racism, Anti-Semitism and for Peace], close to the PCF, attacked Jean-Marie Le Pen, president of the National Front, because one of its posters affirmed: "One Million Unemployed Is One Million Immigrants Too Many!" Today, perhaps ingenuously, we are rediscovering the PCF's true nature. The parties are unanimous in their condemnation. The socialists, undoubtedly because they are the most disappointed, are among the most merciless: L'UNITE, the PS [Socialist Party] weekly, carried the headline: "PCF: Its Hands Dirtied"; the party's executive board flatly accuses its ex-partner of "behaving like a little extreme rightist group."

The noncommunist left no longer hesitates to speak of "Red Fascism." Fascism is the bringing together of authoritarianism, corporatism and nationalism. Its methods: coarse attacks, hodgepodge, calls for false incrimination, contempt for the adversary... The portrait shows resemblance.

Charles Fiterman, the party's number two leader, said in regard to the Antenna 2 broadcast: "Once again it is the thieves who are yelling 'Thief!'" Actually, the PCF behaves continually as the aggressor who cries "Aggressor!" It rejects

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immigrant workers, in order, it says to better struggle against ghettos. It calls upon its youth to inform against drug addicts, in order to save the addicts themselves, even where these are imaginary ones. It prevents a television broadcast from continuing, in order to defend freedom of information. These are the truths as we read them in L'HUMANITE, as they are being taught in the cells.

Apparently, the French people are not being taken in by communist semantics. According to a Public S.A. poll published by PARIS-MATCH, 42 percent of those polled disapprove of the Montigny occurrence, 15 percent approve; 19 percent of the communists expressed themselves against it, and only 14 percent for it.

At Villeurbanne, in the Rhone, the accusations against the Lycee Pierre-Brossolette will not gain a single vote for the PCF. On the contrary.

The PCF isolated, rejected, misunderstood? This pleases it. It is being attacked, it tells its militants, because it is right. Alone against all the rest. And the more it is isolated, the more it will assert it is right. Marchais thinks this is the best way to close the party ranks again. The fact that the party's image is being damaged in the opinion of the mass public is unimportant, because it is no longer a question of rising to power. Marchais, unlike his Italian and Spanish counterparts, views the policy of the Soviet Union's Communist Party as being on the whole positive. Leonid Brezhnev undoubtedly convinced him, during his recent trip to Moscow, that, for the future of international communism, it were better that the PCF not rise to power with an Atlanticist socialist ally. Marchais is pursuing two complementary objectives: bring about the defeat of Mitterand and, exploiting the consequences of the latter's new defeat, recover the number one position on the left.

Nine weeks away from the presidential election, the situation looks rather bad for the communist candidate. After 4 months of campaigning, he has not gained an inch of terrain: The L'EXPRESS-Louis Harris TABLEAU DE BORD still shows him at 17 percent of the expressed voting preferences, while Mitterand's percentage is steadily increasing.

Voters must therefore be won over from the PS or from among the malcontents on all sides, from "the popular strata." Hence the chosen targets: the masses in outlying urban areas, in areas where the masses rub shoulders with the immigrant workers, in areas where there is fear, in areas where unemployed youths may be taking to drugs.

Will this communist demagoguery pay off electorally? Is the PCF likely to win the votes of the "little Whites" who are seduced by the simplicity of Marchais' ideas and by the force of the communist machine? "Yes," responds a Giscardian minister elected from a popular circumscription. "PCF slogans are carrying. I know that if I were to fight them in my newspaper, I would not be supported by my constituents." "No," says a PCF official. "Those to whom Marchais' arguments can appeal are rightists, and these," he says, "will never vote for him."

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Within the PCF and the CGT, some voices are making themselves heard. At Montigny, some teachers have distributed a tract "against denouncement," accusing the PCF of using the methods "of another side." At Montfermeil, in Seine-Saint-Denis, the CGT calls "scandalous" the communist mayor's refusal of position-authorized housing to a municipal employee because he is an immigrant. At Marseille, CGT militants deplore their union's call to vote for Marchais. At the Renault plant in Boulogne-Billancourt, the CGT members are demonstrating together with the Moroccan workers "against the PCF's racist policy."

The pursuit of presidential votes being carried out by Marchais for a near-term objective is thus generating disapproval on the part of many teachers and union leaders, the PCF's traditional intermediaries. Is the PCF's future being sacrificed by its secretary general for his own personal score?

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Campaign Related Purposes

Paris LE NOUVEL OBSERVATEUR in French 23 Feb-1 Mar 81 pp 27-28

[Article by Thierry Pfister: "Communists: Reasons for the Escalation"]

[Excerpts] By waging a conventional electoral campaign, the PCF [French Communist Party] would have run the risk of being sidelined. Through its sensational initiatives, it is re-centering attention on itself.

Although the PCF's balance sheet is far from being "positive on the whole," it cannot on the other hand be said that the Vitry bulldozer, the Montigny denouncement and the TV commando have generated a unanimous reproof. Even the PCF's most traditional adversaries feel compelled to distinguish between its unacceptable methods and the substance of the problems it has raised. To hear Jean Cau on Antenna 2, on Thursday, justify the issues of the new communist crusades was an experience.

Attacked on methods, the communists are responding on substance. They are by no means being naive: In the battle they are waging, the immigrant workers, drugs and youth unemployment are mere pretexts. The row is classically political and allows everyone to take up again his traditional role. This is why the PCF leaders are not fearful of pursuing the escalation. They are in fact not as disappointed as they say they are over the general mobilization that has taken place against them. It is a situation with which they are familiar and which they know how to exploit.

The militants actually find it easier to close ranks when the party takes the position of the victim of an "aggression." And it is especially necessary to generate such a reflex as the day of voting approaches, in view of the lack of dynamism being shown for some months now by the party cells. Moreover, the unanimous criticism of the methods being used by the PCF enables Georges Marchais to justify his claim of a "three-way consensus," that is, of an alleged agreement

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among Giscard, Chirac and Mitterand. Furthermore, the current activism of the communists is enabling him to affirm that his party is avoiding an "unprincipled political game" the unpopularity of which has been evidenced by the success of Coluche's candidacy.

True, the most politicized of the PCF's membership, especially among the working class, rejects this oversimplification. The style it imparts to Georges Marchais' campaign cannot therefore be expected to stop the erosion of the communist positions within the "workers aristocracy." However, the PCF leadership expects to compensate, and in fact to more than compensate, this loss by the mobilization of the most disadvantaged strata of the proletariat, those that are especially feeling the effects of the competition from immigrant workers and that are seeking security. A conventional electoral campaign would clearly have exposed the PCF to the risk of being put out of the running. This risk was intensified particularly after the entry of Francois Mitterand then that of Jacques Chirac into the campaign. The PCF's spectacular actions have indeed focused attention again on its positions.

The undemocratic nature of the communist initiatives has not been, for the PCF, the most difficult of things to come to terms with politically. It has had long experience in this regard. In actual fact, the socialists risk, indirectly, at least as much finding themselves out on a limb, since they will have to explain why only yesterday they were proposing to entrust ministerial responsibilities to men having such little respect for pluralism.

To its fellow-travelers, the PCF leadership evokes for support the historic and ideological traditions of the communist movement. It recalls, for example, that the Chinese communists demolished the opium dens during their Revolution. It can also play on the moralistic attitudes of militants who, because they believe in the possibility of the birth of a "new human being," ascribe human weaknesses --alcoholism, drug addiction...--to the structures of capitalist society.

The experience of the socialist countries has shown that the institution of new productional relationships is not in itself sufficient to resolve these issues. But the days are long gone when the PCF undertook to comment on this point. L'HUMANITE just barely permitted Francis Cohen to recall discreetly, on the eve of the 26th congress of the Soviet Union's Communist Party, some of the essential economic problems that arise in the countries of "real socialism": too highly centralized and imperative planning; too low productivity; confusion between the right to work and the right to a uniform wage... The genre of article that will make it possible to affirm in 1 year or in 10, should the circumstances so require it, that the party has always remained true to itself has not changed and has proven itself clairvoyant.

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'Fascist' Tendencies

Paris L'EXPRESS in French 21-27 Feb 81 p 73

[Article by Jean-Francois Revel: "Toward a Society of Stool Pigeons"]

[Text] Since the start of the PCF [French Communist Party] commando actions, how many political leaders have fallen into the trap and gone on the defensive! "But no, we are not for drugs!", they have cried out in chorus, as if drugs were the real problem, as if the PCF were attaching the least importance to drugs! Tomorrow, the communists could just as well declare inadequate the fight against cancer and organize the lynching of a family of Senegalese street sweepers, accusing them of knowingly thwarting basic research in molecular biology, with the complicity of the socialists, of course. Would we then see the minister of public health or the socialist deputy from the locality involved pour forth with pious, justificative explanations? When we see the fear the PCF inspires without even being in power, we can well imagine what it would be if one day they should take power.

This pusillanimity is being compounded by political error. And yet, it is not a matter of a remote and complex problem of international policy. It is a matter of local occurrences that are taking place under our very eyes and which every citizen can understand.

After the Palace expedition of the Marchaisian youths, who prevented by force a television debate from taking place, Paul Quiles, national secretary of the PS [Socialist Party], declared that, to avoid exposing themselves to this sabotage, the organizers of the debate should have included in the broadcast "all the political elements," read: the PCF as well. Which boils down to advising an advance capitulation to intimidation. As if one could rightfully ignore that no sooner would that capitulation have been in place than the intimidation upped another notch! Even when the communists are invited to take part in debates, they continue to claim they have been excluded. Did not Jean-Marie Cavada furnish proof, figures in hand, in the "Big Debate" of 3 February on TF 1, that Georges Marchais' hours of presence on the TV screen had not prevented him from claiming he was being banned? Censorship, for the communists, is when others talk. How many times have they not succeeded in having eliminated from debate telecasts the interlocutors they did not like? Did they not claim they had been kept out of an "Apostrophes" interview with Solzhenitsyn, in 1976, when in fact they had been invited to take part? Their real objective, however, was to have prevented entirely the taking place of that program.

After the intervention by the PCF assault units against the Moroccan "drug traffickers," the editorialist of an evening newspaper wrote: "We must credit the PCF with being consummate in the art of raising--though badly--real issues." This is a gift one must also recognize in Benito Mussolini, Adolf Hitler and Augusto Pinochet. In pointing up the failure of the economy and the existence of anarchy in their respective countries, these three men "raised real issues,"

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"badly," no doubt, yet with "a consummate art..." This is the kind of "faulty liaisons" that, coming from the pens of otherwise knowledgeable commentators, can give rise to the frenzied desire to disregard the evidence that there is a Fascist party, an only one, in France today among its major parties: the PCF.

There are periods in which the Fascism of the PCF is veiled, and others in which it flaunts itself, with deliberate intent, and with an aggressiveness that borders on provocation. Why and to what political end? An initial explanation that is rather widely accepted is that the communists are panicked by a drop in the polls which, if confirmed by the 26 April vote, would mean a collapse of a seriousness and swiftness wholly unique in their history. As a result, they are out to get votes by resorting to the most sordid racist demagoguery. By now completely sterile intellectually, incapable of producing a single new thought of their own, the communists are now constantly pirating the thoughts of others: in this case, they have resorted to kindly philosophical help from Jean-Marie Le Pen, who was dog-paddling around alone in its 0.5-percent extreme right wing. They have also borrowed the theme of security and that of the fight against drugs, old favorites of Alain Peyrefitte and of the majority, just as they have borrowed from this same majority the issues of participation, civil and military nuclear development, and human rights, and from the socialists that of self-management by the workers.

According to a second explanation, also compatible with the first, the communists, in their desire above all to bring about the defeat of Mitterand, are behaving intentionally as his more and more unacceptable allies. Thus many voters might in fact reason: "I would vote for Mitterand, but he could not govern without the communists; and the communists are decidedly too wild and too dangerous to be the least bit dependable." Furthermore, to clearly demonstrate that an alliance would be politically not feasible and a catastrophe, the communists are attacking the most violently those socialists nearest to them. Thus, the PCF is seeking to raise its own score with the voters while mortally wounding the socialist candidacy.

Lastly, there is the historical explanation, which must never be forgotten, the unchanging fact which LE NOUVEL OBSERVATEUR kindly recalled in its 16 February headline ("The Communist Police"). The PCF is a police party which seeks to establish a police state. The "Letter on Expansion," for its part, cites communist draft law 2213, which says among other things: "Prevention is the rule in regard to security. It therefore appears to us necessary to associate the different peoples' categories involved (the police, but also the associations of parents of students, tenants, the professions, etc.) in forms that can embody these preventive activities, and specifically the block-patrol method, which must be expanded." This is the well-known technique of grid-control and constant espionage of the population, as it is exercised in Moscow, Prague and Havana. The PCF is the vanguard, on a small scale, of the society to which it leads: a society of stool pigeons.

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POLITICAL

FRANCE

NEW PCF TACTICS VIS-A-VIS DRUGS, IMMIGRANTS NOTED

Paris LA LETTRE DE L'EXPANSION in French 16 Feb 81 p 2

[Article: "Why the PCF Is Going to Step Up Its Campaign On Drugs, Immigrants and Safety"]

[Text] By exposing a family to public prosecution, a family which he suspected (on the strength of someone's accusation) of engaging in drug trafficking, all that Robert Hue, the communist mayor of Montigny-les-Cormeilles (Val d'Oise) was doing (by direction) was putting PCF legislative proposal #2213 into practice, a document which has gone completely unnoticed and nevertheless reveals the communists' new tactics. In particular it reads: "Prevention is the rule in the area of safety. That is why it seems necessary to us to involve the various interested categories of the population (policemen, but also associations of parents of school-children, tenants' associations, professional organizations, etc.) in the forms that these preventive activities can take, particularly the technique of block patrolling which should be more widespread." This text, which secondarily recommends incorporating the PJ [Criminal Investigation Police] into the Ministry of Justice, stresses the need to grant mayors more extensive authorities in the safety area.

Comment: The PCF is going to keep going along these lines with an intensive poster campaign which will touch on the problems of immigrants, drugs, morality and safety in jumbled fashion, thereby responding to the anxieties of the "silent majority" and taking away votes from the RPR [Rally for the Republic] in particular. (Involving the population in crime prevention is faithfully copied from what goes on in this regard in the USSR. At the Matignon the observation is also made that up to now the PCF has attacked immigrants only from countries which are on bad terms with Moscow, including Mali.)

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POLITICAL

SPAIN

MAIN PARTIES ON FUTURE RELATIONS WITH REAGAN ADMINISTRATION

Madrid CAMBIO 16 in Spanish 19 Jan 81 pp 53, 54

[Text] The communists and socialists think that now that Ronald Reagan is in the White House the European countries, including Spain, will lose autonomy, and that Spain's wobbly democracy will perhaps not be able to completely absorb the impact. On the other hand, the Democratic Center Union believes that with the former Hollywood cowboy as its President the United States is going to strengthen the framework of its economic and political cooperation with Spain; and the Popular Alliance party believes that with the new U.S. President a decade of conservatism is probably beginning, which could extend to Spain for the 1983 elections.

The country's four majority parties with parliamentary representation can also not agree among themselves as to how to face the problems for the nation which they anticipate from the new American President. While Ramon Tamames, PCE [Spanish Communist Party] deputy and town councillor of the Madrid municipality warns that we must be on our guard with Reagan, because if we are not very careful he will get us into NATO, Fernando Moran, international affairs advisor of the PSOE [Spanish Socialist Party] thinks that he would not dare to go so far, "much as he would like to," and that whether Spain will join the Western defense bloc or not will depend more "on Spain's attitude than on foreign pressures."

Moran states: "What the new American administration does have is a tendency to discipline allied and friendly countries and to take away their capacity for intervening in local conflicts between countries favoring the United States or the USSR. In this sense it is very probable that both Spain and Europe in coming years are going to lose a large part of their autonomy to the leader of the bloc, that is, to the United States."

Guillermo Medina, UCD [Democratic Center Union] deputy from Seville, also takes note of this sense of leadership and discipline, though he does not express it in such harsh words. "It is evident--he told CAMBIO 16--that we are entering into difficult times, hard times, and that the United States, with or without Reagan, in a crisis period, is going to want to know if we are its friends, and to what degree." According to Guillermo Medina, it will not be worthwhile to take ambiguous positions in the coming years, although the Americans are not going to so much as

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lift a finger to make us enter NATO. "The decision--he comments--is going to come from the Spanish people, but the position which we adopt will determine how we will be treated afterward by the American administration."

Jorge Verstringe, speaking for Popular Alliance, is of essentially the same opinion. "The Americans--he says--are not going to solve our problems for us, and Spain will only join NATO and the EEC when we have a stable coherent government which approaches these topics backed by a broad, stable and 'natural' majority."

Something that concerns the political parties almost as much as joining NATO is what the attitude of the new American administration is going to be regarding the signing of the treaty on American bases in Spain, which must be renegotiated this year.

"My personal opinion, which agrees with that of a large group of members of my party--says Ramon Tamames--is that with Haig as secretary of state the Americans are going to try to make the new treaty a kind of conduit leading directly to NATO. If a maneuver of this type is detected, the PCE will start a campaign to prevent the agreements from being signed."

Fernando Moran of the PSOE, in his turn, thinks it unlikely that the United States will try to introduce new items into the bases questions, and that Spain, if it negotiates seriously, should forget economic and armament compensations and insist that the treaty contain a guarantee to defend this country in case of a border conflict--with the North African countries, for example.

Guillermo Medina of the UCD believes that at present the United States is not going to try for a stronger military treaty, but that it will try to retain certain facilities that it already possess at the Rota, Torrejon and Zaragoza bases. The UCD deputy from Seville also thinks that under Reagan the framework of commercial, industrial and political cooperation with the United States will probably be expanded, since Republican administrations since Eisenhower have traditionally been favorably predisposed toward Spain.

On the other hand, the PSOE thinks that conditions relating to commerce and industry are probably going to continue as before. "The Americans--says Fernando Moran--usually have been much less sensitive regarding import tariffs on Spanish shoes or on the topic of granting licenses to our fishermen than on issues of a military and strategic type."

This is not the belief of communist Ramon Tamames, who thinks that we should be a bit wary with Reagan, since his government is being formed with persons from the extreme right, and that his economic policy, with its emphasis on reducing public spending, cutting back on social services and lowering salaries is going to have serious repercussions on our country. According to Tamames, the usual mechanism for influencing economic policy "as we already know, is the Trilateral Commission, which has Spanish members." In any case, Tamames does not see Ronald Reagan as completely bad. He says, "I do not think that he is going to make up a government of lunatics."

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GENERAL

FRANCE

ARIANE LAUNCH SCHEDULE PROJECTED TO 1985

Paris AIR & COSMOS in French 21 Feb 81 p 33

[Article by Pierre Langereux]

[Text] The new Ariane launch schedule projected to 1985 has just been set jointly by the ESA [European Space Agency], the CNES [National Center for Space Studies] and the Arianespace Company for the production and marketing of European launchers.

According to the agreement signed last year between the ESA and Arianespace, the Ariane launchings will be carried out as follows:

Flight test launchings (L01 through L04) under the launcher development program and the first six operational launchings (L5 through L10) of the "promotional series," which is scheduled to end in 1982, will be carried out under the responsibility of the ESA.

The first five operational launchings (L5 through L9) will be carried out by the CNES for the account of the ESA, while the last of the "promotional series" launchings (L10) will be by Arianespace for the account of the ESA. The CNES launching team will actually have been transferred to Arianespace.

The succeeding operational and commercial launchings, beginning with L11, which is scheduled for the beginning of 1983, will from then on be under the responsibility of Arianespace.

The Ariane launcher's new mission-timetable to 1985 currently involves 30 payloads, 17 of which are on firm launch-orders, 10 on tentative orders (some with \$100,000-deposits) and 3 potential orders (for European clients).

In addition to these, potential launch-orders are being negotiated with INTELSAT for the Intelsat 5 and Intelsat 6 satellites, with INTELSAT (Canada), with Australia for the Domsat satellites, and with the American companies: GTE, ATT, HCI and Southern Pacific Company.

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ARIANE LAUNCH SCHEDULE TO 1985
(Source: Arianespace - February 1981)

Année	Date	Tir (1)	Fusée (2)	Satellites (3)	Etat (7)
1979	24 décembre	L01	AR1	(4) 1 ^{er} essai en vol (pas de satellite)	Succès
1980	23 mai	L02	AR1	Firewheel (ESA) + OSCAR 9 (AMSAT)	Echec
1981	Juin-juillet	L03	AR1	Meteosat 2 (ESA) + APPLE (Inde)	F
	Octobre	L04	AR1	MARECS-A (ESA)	F
	Décembre	L5	AR1	Exosat (ESA)	F
1982	Février	L6	AR1	MARECS-B (ESA) + Sirio 2 (ESA)	F
	Avril	L7	AR1	ECS-1 (ESA) ou Intelsat 5/F6	F
	Juin	L8	AR1	ECS-1 (ESA) ou Intelsat 5/F6	F
	Octobre	L9	AR1	Intelsat 5/F7	F
	Décembre	L10	AR1	Intelsat 5/F8	F
1983	Février	L11	AR2/3	(5) Libre	F
	Avril			ECS-2 (ESA)	F + R
	Juin			Telecom-1A (France) + MARECS-C (ESA)	F + R
	Octobre			Libre	F + R
1984	Février	L11	AR2/3	Arabsat-1 (Ligue Arabe) + Westar 6 (USA)	R + R
	Avril			(5) Libre	F + F
	Juin			Spot (France) + Viking (Suède)	R + R
	Octobre			ou SATCOL-1 (Colombie) + Arabsat-2	F
	Décembre			TV-SAT (Allemagne)	R + R
1985	Février	L11	AR4	SATCOL-2 (Colombie) + TELSAT (Suisse)	F
	Avril-mai			TDF-1 (France)	F
	Juillet			(5) Libre ou L-SAT (ESA)	P
	Septembre			RTL (Luxembourg) + TELSAT 2 ou ECS-3	R + P
	Octobre			GIOTTO (ESA)	R
Décembre	1 ^{er} essai en vol - Ariane 4 - depuis ELA-2	F			
				(6) (5) Libre	

Key:

1. Launch.
 2. Rocket.
 3. Satellites.
 4. First flight test (no satellite).
 5. Free.
 6. First Ariane 4 flight test since ELA-2.
 7. Status: Succes = Successful
- Echec = Failed
- F = Firm
- R = Tentative
- P = Potential

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Military satellite launchings are also planned for the Ariane launcher: military telecommunications satellites for the United Kingdom (BMS) and for NATO (NATO-3 D and E).

In addition, several other launchings for the ESA are now being planned, dates for which have not yet been set: the ECS-3, Meteosat and Hipparcos satellites.

This, however, does not take into account the future European satellites, the building of which has already been decided (ECS 4 and 5), or very probable ones (ERS 1 and 2, Spot 2, etc.).

For the 1981-1985 period alone, some 20 firm launchings are expected as of now, auguring well for the future of the launcher..., provided the flight tests end up successful!

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