

APPROVED FOR RELEASE: 2007/02/09: CIA-RDP82-00850R000100040040-2

17

1 OF 1

FOR OFFICIAL USE ONLY

JPRS L/8404

17 April 1979

TRANSLATIONS ON WESTERN EUROPE
(FOUO 23/79)

WEST

EUROPE

U. S. JOINT PUBLICATIONS RESEARCH SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF
MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION
OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/8404

17 April 1979

TRANSLATIONS ON WESTERN EUROPE

(FOUO 23/79)

CONTENTS

PAGE

THEATER NUCLEAR FORCES

BELGIUM

Air Force Chief of Staff De Smet on Alpha Jet Performance
(De Smet Interview; AIR & COSMOS, 10 Mar 79)..... 1

COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

Continuing Neo-Nazi Activity in FRG Reported
(Wolfgang Barthel, Warner Poelchau; STERN, 15 Feb 79).. 4

FRANCE

DTAT'S Functions, Responsibilities Outlined
(Claude Engerand Interview; ARMEES D'AUJOURD'HUI,
Mar 79)..... 9

Navy's 1978 Accomplishments Reviewed
(Jean Lannuzel; ARMEES D'AUJOURD'HUI, Mar 79)..... 15

COTAM Mission, Strength Outlined
(Philippe Englinger; ARMEES D'AUJOURD'HUI, Mar 79)..... 18

GREECE

Briefs
Tanker Orders Noted 23

- a -

[III - WE - 150 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CONTENTS (Continued)

Page

ITALY

Construction Sector To Create 139,000 Job Openings (Demetrio De Stefano; CORRIERE DELLA SERA, 28 Feb 79)..	24
PCI's Barca Interviewed on Party's Economic Policy (LA STAMPA, 3 Mar 79).....	27

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

THEATER NUCLEAR FORCES

BELGIUM

AIR FORCE CHIEF OF STAFF DE SMET ON ALPHA JET PERFORMANCE

Paris AIR & COSMOS in French 10 Mar 79 p 27

[Interview with Lieutenant General De Smet, chief of staff of the Belgian Air Force, at Saint-Trond: "An Exclusive Interview with Air Force Lieutenant General De Smet, Chief of Staff of the Belgian Air Force"; date not given]

[Text] Air Force Lieutenant General De Smet, named chief of staff of the Belgian Air Force on 1 July 1977, knows well the problems related to the training and instruction of future combat pilots. Since 1945, he has been, successively, a pilot coach, director of training, chief of the "Plans" section in SHAPE [Supreme Headquarters Allied Powers in Europe], commander of the Air Force Advanced Training Center, commander of the 10th Fighter-Bomber Squadron, chief of staff of the Tactical Air Force command, assistant chief of staff of the Air Force, and commander of the Tactical Air Force. On the occasion of the presentation of the Alpha Jet at Saint-Trond, General De Smet kindly answered the questions of AIR ET COSMOS.

[Question] You have just flown in the Alpha Jet for half an hour. What are your impressions?

[Answer] It was not my first flight in this type of airplane. In my first flight, at Mont-de-Marsan in December 1978, I had already been able to appraise all its qualities. This second flight has confirmed by first impressions, and I noted with satisfaction the plane's good behavior in all the maneuvers which I executed; loop, reversal, slow roll and snap roll, then tail spins to left and right at 15,000 feet once the wing tanks were empty, and dive. In addition, the short time for climbing to 15,000 feet indicates the good performance characteristics of the Larzac engine. During my career, I have piloted some 20 training planes, some of which have never been mass-produced. I would say of the Alpha Jet that it is a remarkable training plane, both for the student and for the coach. In particular, it offers a

FOR OFFICIAL USE ONLY

double advantage; its performance characteristics are close to those of a combat plane, which makes it easier to train the student in execution of the procedures applicable to combat planes; and besides, thanks to its excellent flying qualities, it is a reliable airplane, one on which the student can permit himself to make some mistakes.

[Question] What is the major advantage which the arrival of the Alpha Jet brings to the Belgian Air Force?

[Answer] For a small country with a necessarily limited budget, being able to eliminate one airplane from a training "syllabus" which included three represents a considerable savings. This is precisely what we will be able to do with the arrival of the Alpha Jet, since the only plane we will need before we get to it will be the SF-260M, from now on. Moreover, this reduction in the number of types of airplane, with its advantages on the level of maintenance and replacement parts, will be accompanied by a decrease in the total number of flying hours for training the young student pilots: 275 hours instead of 350, which is also considerable on the economic level.

I note, however, that although we certainly owe to the airplane we have chosen this considerable reduction in the number of flying hours, we also owe it in large part to intensive use of the simulator, which we will make extensive use of for training our students.

[Question] Do the problems recently cited by the Luftwaffe--those relating to the functioning of the engine, and the problem of the fragilization of the canopy--have the same importance for the Belgian Air Force?

[Answer] Any newly developed piece of equipment goes through what must be called "childhood diseases." We are watchful, but we remain very confident. It should shortly be possible to solve the engine problems which you mention. The fragilization of the canopy is a fortunate innovation on the operational level; for the Belgian Air Force, the problem is not posed in the same terms as for the Luftwaffe, since it is not planned to exceed the speed of 400 knots in training.

[Question] How long will you "hold out" with the 33 Alpha Jets ordered?

[Answer] We received our first Fouga Magisters in 1960; we will retire the last of them from service in 1980, 20 years later. We expect to last 20 years with our Alpha Jets.

[Question] The French Air Force has also ordered Alpha Jets for the training of its fighter pilots; does the Belgian Air Force have close contacts with it as a user of the same plane?

[Answer] The contacts between the two air forces have always been frequent, both as regards exercises or maneuvers and in specific firing programs, during

FOR OFFICIAL USE ONLY

which the Solenzara base in Corsica houses our pilots, our mechanics, our airplanes. The placing in service of the Alpha Jet will doubtlessly be an occasion for even closer contacts. I add that I was the personal guest of General Saint Cricq, chief of staff of the French Air Force, a very short time ago. I was very interested by everything which I had hoped to visit and which I saw, just as I was very conscious of the warm welcome which he gave me.

[Question] What, in March 1979, are the major concerns of the chief of staff of the Belgian Air Force?

[Answer] They are of two kinds. Like any chief of staff of an air force in a western country, I am disturbed by the constant decrease in the total funds appropriated to defense. Furthermore, the evolution of the social climate among military men is a concern to me; I am in favor of a realistic social evolution, but unfortunately, taught by the experience of past conflicts, I must also remind myself that in order to be better able to defend his country, every military man must train himself and be trained to carry out war operations.

COPYRIGHT: AIR ET COSMOS, Paris 1979

11267
CSO: 3100

FOR OFFICIAL USE ONLY

COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

CONTINUING NEO-NAZI ACTIVITY IN FRG REPORTED

Hamburg STERN in German 15 Feb 79 pp 126-131

[Article by Wolfgang Barthel and Warner Poelchau: "The Friendly Nazis Next Door"]

[Text] Stahle on the Weser is a very ordinary village: a church, a cemetery, a few dozen farms, a sportsclub, a bowling club, a volunteer fire department, and a choir--the youth band was a champion of Europe once. Many of the 2,700 inhabitants drive to work daily to Hoexter and Holzminden; in the evening they meet at one of the four restaurants. If shots were occasionally heard in and around Stahle they came mostly from members of the riflemen's association or the tenants hunting on the nearby mountain "Riese."

Sometimes, however, shots whizzed through the adjacent forest which did not come either from the rifles of the sportsmen or the hunters, the forester Krato was sure. The shooting was part of the training program of the "National-Socialist Combat Group Ostwestfalen-Lippe."

When the 18-man combat group was raided recently the police found 5 machine guns, 5 carbines, a NATO automatic rifle G 3, 8 pistols and revolvers, 2 air rifles, 8 kgs of explosives, one grenade and 650 rounds of ammunition. In addition the officials seized Nazi literature, pictures of Hitler, brochures and posters of the American NSDAP/AO (reconstruction organization) and a pamphlet composed by themselves stating among other things: "Democracy is international domination by Jews...it is the end of one's own culture... the ending of one's own elite, domination by inferiors, those who can be bought...destroys the unity of the people with parties...does not allow a real national leadership stratum."

The 26-year old Rolf Gebser, the leader of the "combat group," considers himself above all as belonging to the "national leadership stratum." This worker, who liked to be called "little Adolf" in the village, is the only one of the group who is still under arrest. Nevertheless the people of Stahle do not want to say anything against their "Fuehrer Rolli." The barber and mailman, the grocer and the restaurant owner, all are united: "We will not say anything." At most they minimize the role of the warriors among them: "That was just children's foolishness. At most they made camp fires and baked potatoes."

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Nothing can change the mind of a man like the former mayor of Stahle, Hans Moenckemeier, about Gebser, neither veneration of Hitler, nor the finding of weapons, nor even the smears on the church, "Death to Jews--Holocaust." He says, "He is an energetic kid, a nice guy."

The people of Stahle will not abandon someone like Rolli Gebser, who is a member of the choir, "worked hard" on the construction of the club, whose father is the standard bearer for the riflemen's association and was once the king of the junior riflemen himself. Everyone knew, of course, that the "combat group" celebrated the "Fuehrer's birthday" every year in a hidden place on Gebser's property, camouflaged by NATO nets. But if only there was enough beer, his old school friends helped celebrate and sang the "Westerwald" or the SA song "Raise the Flag." Most of the people of Stahle consider the one Communist in the village to be mentally sick; they are very liberal, however, with the Nazis: "Surely, everyone can have his own political opinion."

The idea of one's own political opinion did not go very deep in the combat group itself; the members had rules prescribing even their looks: "Hair and beards are to be kept in such a way that they do not interfere in sport and military training." They themselves said that training served for the preparation of "Day X," when an end would be put to "international Jewry" and the "slimy Democrats." Gebser's men copied combat methods from the "Red Army Fraction": "We want the opposite, but we are not so stupid, that we cannot take over their methods and strategies."

For Burkhard Hirsch (FDP), the minister of the interior of Nordrhein-Westfalen, who will confiscate even car jacks and nosedrops from leftist nuclear power opponents, Gebser and his consorts are small fish. In the Duesseldorf Landtag he called the discovery of weapons "relatively unimportant"--a symptom of the tendency of many politicians to play down the danger coming from the right. Meanwhile Nazis are stocking up weapons all over the FRG.

In Karlsruhe the 27-year old Werner Braun, the leader of the "German National Society" (DVG), was arrested because he had tried to buy four machine guns and 2,000 rounds of ammunition--from a plain-clothes member of the criminal police! Three weeks later the police arrested three more DVG members; at their place they found hand grenades, pistol ammunition, and explosives. The judges considered the buying attempt as a "less serious case" and imposed a fine of DM 14,000. They did not speak of a criminal conspiracy.

In Bonn police seized a machine gun from a 19-year old, a gun, homemade bombs, and a large amount of ammunition. The young man had built a kind of place of worship at his home with a picture of Hitler and other Nazi holy relics and called himself a follower of the NSDAP. The police let him go after an investigation.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

In Berlin a 17-year old had an accident on New Year's Eve while constructing bombs. Two months before that two bombing attempts on a Jewish store and the Jewish Community Center were stopped at the last minute. The detonating devices were filled with 400 grams of TNT and steel nails.

In Kiel Frank Stubbemann, the 23-year old student and "Gaufuehrer" [district leader] of the Action Front of the National Socialists (ANS), and two friends were arrested. A sizeable collection of weapons was found at their place and "accompanying conditions that could point to the establishment of a terrorist organization" (according to the Schleswig-Holstein Verfassungsschutz [constitutional protection]). All three are meanwhile free again and active.

In Hanau an "NS group Hanau" was discovered and police seized among other things a hand grenade and 750 rounds of ammunition. In Braunschweig the 51-year old Paul Otte was arrested; he has a previous record for bank robbery and is understood to be the coordinator of the West German NSDAP groups. This time police discovered "only" a tube bomb--a year before this they had found two detonating devices and a loaded gun.

In Hanover members of the "combat group freedom for Rudolf Hess" threatened a passer-by with guns. Witnesses testified later in court that the "combat group members" had bragged that each of them owns a gun.

In Koblenz and near Muenster unknown rightist radicals blew up television transmitters to protest the documentary film "Final Solution" that was intended to prepare viewers for the "Holocaust" series. More and more often leftist bars and bookstores are attacked and destroyed; one bookstore alone in Mainz was attacked four times.

Nevertheless rightist radicals are able to continue their harassments almost without being disturbed. The "military-sport group Hoffmann" of Nuernberg, for example, which goes on maneuvers with worn-out vehicles from the Bundeswehr, was allowed to put up its main quarters in the former Gaufuehrer school of the NSDAP in Ermreuth Castle. The 20 Hoffmann followers met in January in Ermreuth Castle for "winter combat training." The Bamberg police directorate simply had the exercise "properly observed" but saw "no possibility for intervention," since it took place on private property.

In 1976 authorities dealt with 319 excesses of the rightist radicals, in 1977 it was already 616 and in the first half-year of 1978 379 crimes. The handwritten notes of Lothar Harald Schulte, 25, a former Bundeswehr noncommissioned officer, verify to STERN that the new Nazis are acting in an increasingly conspiratorial manner and have an ever greater tendency to use criminal means of force.

Schulte describes how he found contact with the Hamburg Action Front of National Socialists (ANS): "End of 1977, Hamburg train station: Just now a guy in black is running by me. I can just recognize the Odalsrune of the youth movement 'Viking Youth.' Since I have belonged to the rightist scene since my 16th year, I address him."

FOR OFFICIAL USE ONLY

The person addressed was Lutz Wegener, 22, at that time the deputy chairman of the Hamburg "SA-Sturm 8 May." Wegener introduced Schulte to the Hamburger "Senior Nazi" and ANS leader Michael Kuehnen, who is now being tried in Hamburg because of NS propaganda. Schulte writes: "I had a lively discussion with Kuehnen, at which time he spoke the name NSDAP/AO for the first time. He set the task that everyone who wants to become a member of the NSDAP must carry out to prove himself for the movement. The type of proof must include a criminal political act."

Schulte and Wegener carried out their criminal act with an attack on the Bismarck caserne in Wentorf near Hamburg, where Schulte at that time was himself serving and had already celebrated the Fuehrer's birthday with other soldiers. Schulte writes: "The attack began at 0030. I woke up the private first class who was sleeping and demanded his automatic rifle G3. Since I was alone he attacked me. With a punch in the mouth I knocked him out. Meanwhile Lutz Wegener had entered the noncommissioned officers' area. After this the opposition of the soldiers collapsed. With the captured weapon we disappeared from the military area. In the morning we drove with the weapon to Michael Kuehnen in Hamburg-Wandsbek. In Kuehnen's apartment the shoulder support was sawed off. Kuehnen was very happy. With this action I belonged to the hard nucleus of the "right."

Soon he also belonged to the "Military-Sports-Group Nordland" which was planned as an "organizational cadre for the reconstruction of 'Werwolf'" Schulte writes: "The training camp was in Doerpstedt/Holstein. The Military Sports Group Nordland was the only such group in the FRG where all lower officers were at least noncommissioned officers in combat units (of the Bundeswehr, ed.)"

But the Doerpstedters soon were not satisfied with just exercises. Schulte writes: "Uwe Rohwer, the Gaufuehrer of the Viking Youth, executed with me and the hard nucleus of the Military Sports Group Nordland the attack on Bergen-Hohne, the bivouac 'Landsberg' of the Dutch supply unit. Four machine guns and six magazines were captured in this action which were to serve the armament of the military group and its training."

The "military sportsmen" are also responsible for attacks on banks and other thefts. Besides this plans had been made to blow up the memorial in the former concentration camp of Bergen-Belsen. Rohwer had already found out how many explosives were needed. The military "sportsman" Puls had incited the "liquidation" of the Klarsfeld couple, Schulte dreamed of the freeing of Rudolf Hess. They all agreed that "attacks on the line of demarcation" (the GDR border) should be carried out and "occupation officers captured." It did not come to that any more; police arrested the Rohwer gang (STERN No 15/1978: "Germany, awake").

This hardly weakens the rightist radicals. Federal Attorney Friedrich Hecking said to STERN: "We hardly make any house searches of rightist extremists where we do not find masses of weapons, explosives, and ammunition." Minister of the Interior Baum estimates the number of violent rightist

FOR OFFICIAL USE ONLY

radicals at about 1,000. The number is probably much higher. Baum admits:
"The increasingly conspiratorial behavior makes it difficult to know."

No wonder. Because for the neo-Nazis treason is dangerous. Kuehnen explained:
"The Lueneburger Heide is big; a person can easily be buried there."

COPYRIGHT: 1979 Gruner + Jahr AG & Co

9232

CSO: 3103

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COUNTRY SECTION

FRANCE

DTAT'S FUNCTIONS, RESPONSIBILITIES OUTLINED

Paris ARMEES D'AUJOURD'HUI in French Mar 79 pp 16-17

[Interview with Gen Claude Engerand, chief armaments engineer, technical director of ground armaments, by Lt Col (air) Claude Legrand: "To Plan and Build"; place and date not given]

[Text] A "government agency" charged with meeting the weapons needs formulated by the armed forces and more particularly the army, the DTAT [Technical Directorate of Ground Armaments] prepares and directs the arms programs falling under its jurisdiction by calling on the resources of private industry or its own industrial facilities.

In its position as "supplier" the DTAT plans, develops, and produces the equipment and weapons systems by using its technical and human potential as well as possible. Heir of the iron works operation established by Gribeauval and then of the artillery committee, the DTAT has known how to use its time and resort to useful and fruitful international cooperation.

The review ARMEES D'AUJOURD'HUI asked engineer general Engerand, head of the DTAT, to be kind enough to explain his agency to its readers.

Question: Mr engineer general, could you briefly remind us what is the mission of the DTAT?

Answer: The mission--and I would be inclined to say missions--of the DTAT are focused around two major poles: That of the so-called governmental assignments and that of the so-called industrial assignments. This distinction--rather than separation in the sense that this term can convey the image of a wall--appears fundamental to me, for the endeavors in these two fields are essentially different and it is necessary, specifically as regards our foreign partners, that they be clearly differentiated. But let us return to the two major types of assignments.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

For the exercise of its assignments of a governmental nature the DTAT is in a way the agent for needs relating to ground combat as expressed by the armed forces and more particularly by the army. What is involved then is to consider these needs expressed in terms of use and to convert them into technical, economic, and industrial language. Also, to take the measures that are necessary to realize the systems. Acting as a "partner" of general staffs rather than as "supplier" at that point, the DTAT has a twofold role to play: First, to draft future scientific and technical plans (notably, by the initiation of exploratory studies on the organization of future systems or the principle of new constituents of these systems), but also at the level of industrial structures in order to enable the latter to plan and turn out future products. Then, in the evolution of the programs proper, it is up to the DTAT to spell out the expected performance characteristics, to draw up study and production contracts in due form, and to evaluate the results obtained in the framework of a national industrial organization or in cooperation.

As for the DTAT's industrial function, this involves planning and realization which is that of a "supplier" of the same kind as any national or private industrial company working in the field of armaments. This is an instrument which must be managed as such, with the aim of being productive, viable, under competitive conditions. Its originality resides in being organically connected with the government, but this does not affect its fundamental industrial mission. I am referring to the GIAT [Industrial Group of Ground Armaments] whose legal identity is incidentally not distinct from that of the DTAT.

Question: What are the relations that exist between the DTAT and the various general staffs for specifying the characteristics and choosing a new weapon? Who decides whether to produce?

Answer: Very much upstream at the stage of general studies, notably of those of the components, there is an initial dialog between engineers and military personnel to organize a studies program anticipating the future which it is up to the DTAT to propose. Then or at the same time there is what I would call the crucible in which military thinking on a given arms system is elaborated. This is made up of standing consultative committees which are essentially military organs but with which the DTAT is associated. It is there that the military characteristics of the prospective armored vehicle are planned in operational terms, taking into account the nature of the threat and foreseeable technical possibilities.

As soon as the military characteristics of the weapon are established, the truly developmental stage headed by a program director falling under the jurisdiction of the DTAT gets under way. This program director initiates a discussion framework between the army and the DTAT, namely, the consultative working group (or GTC). This structure brings together government officials of the DTAT (representatives of technical departments involved from the central administration and the competent technical centers) and officers of

FOR OFFICIAL USE ONLY

the general staff, of the Central Equipment Directorate, the technical section of the army, the Inspectorate of Armored Vehicles and the Cavalry if an armored vehicle is involved considering that I have used that example. This is really a discussion and dialog structure where each one offers his ideas, and voices his criticisms, and his observations. Naturally, the discussion continues outside the framework of the consultative working group which nevertheless continues to be the privileged dialog structure. Then, in the final developmental stage, a coordinated program of technical and military evaluation is drawn up and then executed jointly by the DTAT and the army. The result of this latest stage of cooperation is the drafting of an evaluation report which makes it possible for the general staff involved to decide whether to adopt the system or not in the last analysis.

Question: When a decision regarding adoption and then production is taken, how is the choice made regarding one or more producers of the new system (whether the builders should be arsenals or the private sector)?

Answer: Adoption does not mandatorily (nor necessarily) entail an immediate decision to put a system into production. Indeed, several different types of equipment meeting the same need can be approved but in the last analysis only one of them will be produced: The one which is most favorable economically even if all are technically equivalent. This being done, assuming that it is decided to adopt a weapon and then to put it into production, how is the choice made regarding one or more manufacturers?

The rules of "industrial policy" which I shall summarize briefly also apply, incidentally, further upstream in the choice of the industrialists to whom the authorities will turn for development. This problem of dividing activities can in numerous cases be handled by applying without restriction the principle of making it as competitive as possible and this is then the best solution, for competition is stimulating while monopoly is deadening. Indeed, I believe (to broaden the discussion) that the development of French industry truly began on the day when the Common Market was established because the latter involved the breaking down of customs barriers and constrained French industry to adjust itself to the stress of competition. Many were frightened, but the experiment indicates that extraordinary progress has been made from that time.

This being said, totally unrestricted competition is now always possible, at least at the national level, notably because of the cost for the government customer of the upkeep of diversified planning or production capabilities to satisfy some needs. Thus, in the field of combat tanks, while a new system is produced every 15 years, it would not be possible for us to support two or three barely used industrial facilities. One is thus prompted to deliberately restrain the field of competition while the distribution of industrial activity poses a twofold problem:

FOR OFFICIAL USE ONLY

1. That of the selection of one (or several) supplier(s) to satisfy future anticipated needs. This selection of "industrial centers" is premised on an examination of a certain number of criteria (competence, a comparison of capabilities and needs, etc.) which are carefully evaluated;
2. That of the distribution of real activity which is principally guided by economic, technical, or employment considerations with the concern of avoiding the systematic saturation of some centers (even if it is the GIAT) completed by a distribution of the "rest" among the other facilities which would destroy all competition and all motivation. In case of a deliberately accepted monopoly, we apply a certain number of rules which notably oblige the prime contractor to have subcontractors compete so as to limit the drawbacks of this monopoly. Furthermore, the administration has available means of control to insure that even if there is no invitation to bid, prices will be fair and reasonable.

In the last analysis the line of demarcation is the result of a compromise among different requirements which involve mainly the maintenance of minimal activities for each firm, concern for an economic optimum, and that of maintaining a certain degree of balance between activity and available capabilities. In fact this is negotiated and discussed step by step, too, as a function of the employment situation.

Question: What are the advantages and drawbacks of cooperation with foreign arms industries?

Answer: The initial advantage--and this is often the one which is placed in the forefront--is to reduce the costs of development borne by each of the partners. This is true if the requirement is expressed in identical or very similar terms. To be sure, the total cost of development in cooperation will be slightly higher than for national development, but since the total "bill" is divided into two or three shares, on the whole each partner does well. Schematically, it can be said that if the development of a program is slated to cost 100 units in a national setting it will cost 120 units under a cooperative arrangement. However, dividing the cost between two or three partners will reduce the share of each to 60 or even to 40 units. The gain is thus very substantial but on condition--I stress--that the needs of the partners be sufficiently similar. For if the premise is faulty, that is, if there are misunderstandings, the aggregate cost will grow excessively. Let me elaborate: If one of the partners has in mind to build an intermediate-sized tank and the other a heavy tank, two different products will be involved and the total will be much more costly than originally planned. Even if the "bill" were divided into two it is not certain that the quotient would not be more onerous for each partner. Hence the extreme importance of a sound consensus about goals at the start.

FOR OFFICIAL USE ONLY

The second advantage involves production. Cooperation makes possible an economy of scale that is much more significant with an obvious benefit under industrial production conditions. And the growing cost of some complex systems even leads one to wonder about our financial capability to realize them within a strictly national framework in the future.

In addition, cooperation often has the advantage of allowing the use of improved technologies or better components. Finally, it makes possible (subject to reservations of political constraints) the coordinated promotion of these materials in third countries instead of separate efforts for the conquest of these markets.

As regards interdependence it is necessary to mention, besides the problems of cost of which I spoke earlier, the risk that none of the partners may be completely satisfied with the final product to the extent that compromises are struck. To be sure, it is possible to conceive of producing separate versions of a weapon, but then what is the purpose of cooperation? Another difficulty stems from the onerousness of governmental and industrial structures and of the decision-making process. Significant progress has nevertheless been made in light of the initial efforts. The difficulty is to find an acceptable compromise which should take account of the concern for symmetry and balance among the partners but which does not sacrifice the necessary unity of responsibility, both at the governmental and the industrial level. I shall also mention the problem of finding solutions making it possible to retain sufficient decision-making autonomy for each partner. Finally one last important constraint, that of deadlines, inasmuch as programs drawn up in cooperation take longer than those involving national development.

Question: Are French ground armaments industries competitive at the international level?

Answer: I shall answer your question very simply and very briefly by specifying that a sizable part of the products of the GIAT is exported. The same is true for some industrialists associated with our arms production. In this connection I shall note a more specific but very significant indicator: The United States has bought the license of our Roland antiaircraft defense system. I believe that this is a good example of our technical and marketing competitiveness.

[Biographical note]

Born on 11 August 1926 at Remiremont, Vosges Department, Claude Engerand, engineer general of armaments, is a graduate of the "Ecole Polytechnique" [Polytechnic Institute] and the Advanced National Armaments School. Assigned in 1954 to organize the Technical Directorate of Ground Armaments

FOR OFFICIAL USE ONLY

at the Tarbes facility, in 1965 Claude Engerand was appointed technical adviser in the office of the Ministerial Delegate for Armaments. In 1970 Engerand became deputy to the chief of technical services in the central administration of the Technical Directorate of Ground Armaments. In October 1974 he was on loan to the Ministry of Industry and Research where he was appointed Director of Metallurgical, Mechanical, and Electronic Industries. Then, in July 1977 Engerand was appointed Director General of Industry, replacing Mr de L'Estoile. On 1 September 1978 Claude Engerand returned to the Ministry of Defense and assumed the position of Technical Director of Ground Armaments.

COPYRIGHT: 1979 - Revue des forces armees francaises "Armees d'Aujourd'hui"

2662

CSO: 3100

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COUNTRY SECTION

FRANCE

NAVY'S 1978 ACCOMPLISHMENTS REVIEWED

Paris ARMEES D'AUJOURD'HUI in French Mar 79 pp 8-9

[Article by Adm Jean Lannuzel, navy chief of staff: "The Navy's 1978 Survey"]

[Text] In 1977 and 1978 the French navy published in ARMEES D'AUJOURD'HUI a survey for the year that had elapsed in the form of interviews with the deputy chief of staff and the deputy chief of operations. It is thus with the idea of following a tradition that I express these few thoughts on the year just past. This was a year which for us sailors was very eventful and important on more than one count. To draw up this survey I shall deal in turn with the operational activity and public service missions and then the organizational problems connected with the reduction in the number of craft and shall finally conclude with budgetary questions, promises for the future.

In 1978 operational activity was slightly greater than in 1977 since the average number of days spent by a craft at sea was nearly 94 compared to 92.4 in 1977 and considering that the fleet air arm clearly exceeded 100,000 hours of flying time.

Under water the navy's deterrent mission has continued without letup. The discreetness with which it has been implemented for nearly 7 years now should not make one forget the total amount of effort on the part of both crews and arsenals. This makes it possible to secure the steady and effortless linkage of operational patrols.

In surface operations the increase in the number of days spent by craft at sea, outside of the number represented by public service missions, has especially made possible the improvement of the group training of squadrons. Such training, easily reduced at a time of fewer activities, continues to be indispensable so that combat units may be effectively able to become integrated in a naval force. The contribution of overseas France in this activity is important since 30 percent of the total hours of naval craft at sea is spent outside France's metropolitan waters. This represents considerable effort whose most significant aspect continues to be the

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

permanent detachment from Brest and Toulon of two escort vessels in the Indian Ocean. In 1978 more discreet but significant all the same were transportation missions in the interest of the FINUL [Naval Task Force] effected by the BDC, the Decan III operation for the verification of mine clearance of a new access channel to the Suez Canal, and very recently the Orage mission in Guinea to serve as logistical support for the visit of the French president.

In the air the essential activity (38 percent) involved aircraft and helicopters on board vessels. The difficulties of take-off from naval platforms justify constant refresher courses and more advanced training. But with nearly 22,000 hours of flying time of which one-quarter was effected abroad, the year 1978 was that of the maritime patrol. Its planes, characterized by their power of observation and by their capacity to remain in the air for many hours, have proved to be the only means suitable for the surveillance of desert areas. In Mauritania and Chad their assistance was essential.

The public service missions occupied front stage in 1978. The "Amoco-Cadiz" disaster, the "Rhum Route" race [?antismuggling drive], and the exceptional storm early in December 1978 in the Atlantic have sensitized public opinion to the need of surveillance, police, and civilian task forces at sea. The French navy has faced the growth of these tasks with its own means. Some 7,000 hours at sea were spent in the struggle against the pollution of the tanker "Amoco-Cadiz." This represents a little more than three times the annual activity of a "Foch" or "Clemenceau." Since early April 1978 the navy has insured on a permanent basis the surveillance of navigation offshore from Ouessant. Let us note in passing that the maintenance for a year of a presence at the three crucial points of Ouessant, Casquets, and the Pas-de-Calais represents one-tenth of the activity of the navy's surface craft. The increase in tasks raises the problem of the adapted means. At Ouessant the navy's presence is represented by one-quarter of its escort vessels, even frigates, craft that are too large for this kind of work, and half of it by minesweepers or tugboats whose maximum speed is much lower than that of intruders which they would have to pursue. Only dispatch boats, even though a little too well armed in this instance, are suitable for this kind of mission. The share of public service missions, which represented 16 percent of the navy's activity in 1976, now reaches some 21 percent. This is a figure not equaled by other Western navies.

Less involved than the surface navy, the fleet air arm also participates in these missions. First of all the maritime patrol, whose possibilities as well as limitations were clearly evidenced in connection with the search undertaken to find participants in the "Rhum Route" race, but also the Super Frelon aircraft of Squadron 32-F based at Lanveoc-Poulmic. In addition to its own activity of anti-submarine operations, this squadron realized in the course of the last few years, most often under perilous conditions, a number of rescue operations involving human lives which certainly is not paralleled elsewhere. Very recently this was illustrated by organizing in the midst of a storm a rescue team on a dock which was adrift off Brittany.

FOR OFFICIAL USE ONLY

The constant increase in public service missions and the necessary maintenance of military capabilities that we are entitled to expect from a military navy raise the problem of craft availability. The addition of numerous vessels in the coming years, despite the planned compensation and particularly the naval plan, does not mitigate the problem. That is why it is necessary to envision mandating that craft in service spend more days at sea. For this purpose dispatch vessels have been endowed with one-third more crewmen and rapid patrol boats (PATRA) with twice the number of crewmen. The goal is to reach 180 to 200 days at sea a year for these units. While such a system was already in effect on the SNLEs [Nuclear Missile-Launching Submarines] and some auxiliary vessels, this is the first time that it has been tried on surface combat vessels for which conditions are significantly different, especially in the field of equipment maintenance. This experiment will be analyzed in great detail because on the basis of the evidence it may provide a solution to the problems raised by the foreseeable drop in the navy's tonnage in the 1980's. Our survey of 1978 would not be complete without mention of the budget. It can be said that this was a good budget for two reasons. The first is that for the third time it was slightly higher than the figure which had been projected by the program-law (17.63 percent instead of 17.34 percent of the armed forces budget). The second reason is the twofold increase compared to 1977 of program authorizations for new naval construction. This is the start of a movement to accelerate the rate of such construction, which reverses the trend evidenced in the past few years.

Accordingly, 1979 opened on an optimistic note which will be characterized by some important realizations: The entry into service of the "Georges Leygues" and of two dispatch vessels; the launching of the first nuclear attack submarine and the start of construction on the sixth nuclear missile-launching submarine; and the putting into operational service of the Super Etendard aircraft and Lynx helicopters, initial stage in the organization of our navy for the year 2000.

COPYRIGHT: 1979 - Revue des forces armees francaises "Armees d'Aujourd'hui"

2662
CSO: 3100

FOR OFFICIAL USE ONLY

COUNTRY SECTION

FRANCE

COTAM MISSION, STRENGTH OUTLINED

Paris ARMEES D'AUJOURD'HUI in French Mar 79 pp 30-31

[Article by Lt Col (air) Philippe Englinger: "The Transport and Liaison Fleet of the Air Force and Its Maintenance"]

[Text] The mission assigned to COTAM [Military Air Transport Command] prompts it already in peacetime to carry out sustained training of its crews, to execute logistical transportation missions for the armed forces, and to undertake missions of general interest. In operations, its principal missions consist of assuring the logistical support of the armed forces and in participating in the operations of surface forces through air transportation of air drops. The accomplishment of these missions must be secured by excellent availability and a high level of sound operations of the equipment which often has to move far from its support base. In part, the success of COTAM's mission depends on the caliber of the maintenance in effect.

COTAM's flying equipment consists of transport aircraft (C-160 Transalls, Nord 2501's, DC-8's, Caravelles, Nord 262's), liaison aircraft (Mysters 20's, MS-760 Paris planes, Broussards), and helicopters.

The operating and maintenance of this equipment are assured for most of the fleet by specialized air force personnel.

Only the DC-8's, Caravelles, and Mysters 20's owned by COTAM in small number as well as the aircraft of the GLAM [ministerial Air Liaison Group] are maintained by civilian companies (UTA [Air Transport Union], SOGERMA [Specialized Equipment Maintenance and Repair Group Company], Air France, SECA [Air Studies and Construction Company], and so forth) on the strength of contracts for operations and maintenance.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Finally, general overhauls which are infrequent but call for a sizable amount of work are also entrusted to the civilian companies mentioned above or the AIA [Industrial Air Workshop] at Clermont Ferrand (for the C-160 aircraft and Alouette II helicopters).

Maintenance Organization in COTAM

To insure maintenance, that is, the periodic upkeep and reconditioning of the equipment for which it is responsible, COTAM has available four technical units known as GERMAS [Specialized Equipment Maintenance and Repair Groups]. In contrast to the practice in the other major commands of the air force (CAFDA [Air Command of Air Defense Forces], FATAAC [Tactical Air Force], CEAA [Air Force Schools Command]) where each squadron has its own GERMAS available at its home base, COTAM has adopted the centralized arrangement by means of its four large, specialized technical units.

Accordingly, GERMAS are found

1. At Orleans for the C-160's;
2. At Toulouse for the Nord 2501's;
3. At Villacoublay for the Nord 262's, Paris planes, and Broussards;
4. Finally at Chambéry for the helicopters.

This alternative arrangement has advantages in terms of economy in personnel, equipment, and infrastructural facilities. But it is especially justified by the scattering of the aggregate fleet in small units or detachments.

Practiced Maintenance

COTAM's flying equipment consists of planes which are old by now (Nord 2501's, MS-760 Paris, Broussards) or more recent models (Nord 262's, C-160's, Pumas) to which modern maintenance concepts are constantly applied. The policy of maintenance pursued by COTAM has consisted notably in seeking lower costs by a simplification or expansion of the maintenance cycles while guaranteeing the level of maximum security and great operational availability.

Each GERMAS is organized on the basis of one maintenance and repair squadron which is itself made up of an "aircraft" workshop for planned maintenance and reconditioning operations and a group of [other] workshops (power plant, equipment, electric system, radio radar, security and salvaging, etc.).

A technical office charged with the initiation and follow-up of work constitutes the "administrative" part of the GERMAS.

FOR OFFICIAL USE ONLY

As a function of the limits set (hours of flight or calendar dates), the aircraft have to undergo on a regular basis planned period visits (or VP) during which detailed inspections of the systems, structures, accessories, and equipment, completed by tests, further repairs, or replacement if necessary, take place.

Modern means of diagnosis are used such as bench tests, spectrometric analysis of oils, undifferentiated checks by endoscopy or ultrasonic waves.

All the operations effected are carefully recorded in reports which make it possible to determine at each point the history of the aircraft down to its most minute details. Finally, quality-control service insures the perfect execution of maintenance work and guarantees the use of the equipment in complete safety. For the repair of the aircraft away from the home base use is made of GERMAS support crews who are kept on permanent alert. It is through the intermediary of the Operational Center of COTAM located at Villacoublay and linked by HF/BLU [High Frequency/BLU] to the aircraft involved (mainly Nord 2501's and C-160's) that these operations are initiated.

Some units located overseas provide on the spot the planned maintenance of their helicopters. For that purpose they use an original method which consists in breaking down the visit into 10 sections so as to avoid an extended grounding of the equipment.

Personnel Charged with Maintenance

This personnel are trained initially at the technicians' noncommissioned officers school at Rochefort. When they leave this school the young certified servicemen opting to serve in "transportation" attend training internships relating to the equipment on which they will be called upon to work. These take place at the ETIS [Specialized Technical Instruction Complex] included in each GERMAS, the latest being that for the C-160 aircraft at Orleans. The GERMAS is the necessary place of transit for these young specialists who complete their training on the job with their already proficient seniors serving as their cadres.

The strictness put into the offering and follow-up of this training conditions the safe use of the maintained equipment.

Of the 3,000 noncommissioned officers serving in COTAM 1,850 are technical ground personnel whose job is the maintenance of the air force's transport fleet.

FOR OFFICIAL USE ONLY

Technical Maintenance Units

1. The GERMAS at Orleans

Its job is the operation and maintenance of the C-160 aircraft with more than 400 mechanic noncommissioned officers. Periodic visits are made every 720 hours of flight (or 14 months). These visits ground the aircraft for one month and call for some 3,000 hours of work each.

Between two periodic visits an intermediate check representing 300 hours of work grounds the plane for 3 or 4 days. Finally, major checks whose 16-year cycle is broken down into four blocks 4 years apart are the responsibility of the AIA at Clermont Ferrand. A central maintenance office near the GERMAS does the following:

- a. It handles critical supply problems;
- b. It investigates technical facts; and
- c. It updates the maintenance process.

2. The GERMAS at Toulouse

It is responsible for the maintenance and reconditioning of the Nord-2501 aircraft fleet. Periodic visits occur every 360 hours of flight or every 18 months while general overhauls, now definitively phased out, used to be entrusted to the AIA at Clermont Ferrand and took place after 3,600 hours of flight or 10 years.

Each periodic visit represents approximately 1,300 hours of work. The flying equipment, whose phasing out began in 1976, should be reduced to nil by 1985 or 1986. Until then, this remarkable organization will still provide innumerable services to the air force.

3. The GERMAS at Villacoublay

This facility handles three types of aircraft whose minor maintenance cycles are as follows:

- a. 600 hours of flight or 19 months for the Nord 262's;
- b. 360 hours of flight or 14 months for the MS-760's; and
- c. 180 hours of flight or 15 months for the MH-1521's.

FOR OFFICIAL USE ONLY

4. The GERMAS at Chambéry

This facility is specialized in the maintenance of Alouette II, Alouette III, and Puma helicopters whose minor maintenance cycles are 400 and 300 hours (or 15 months) respectively. Their general overhauls occur after 2,400 hours of operations.

Thanks to its flying equipment COTAM constitutes an imposing air transport company, but the particular nature of its mission does not make it possible to compare it with an equivalent civilian transportation company. COTAM's fleet thus represents, thanks to its transportation capabilities, its flexibility of use, and its operational efficiency, a remarkable mobile asset for the armed forces. The success of the numerous outside missions entrusted to COTAM testify to this. The excellent performance of equipment subjected to harsh conditions in all parts of the world under at times extreme weather conditions evidences the quality of the maintenance which it receives.

[Biographical note]

Lt Col Philippe Englinger is a graduate of the air force academy's class of 1956. Licensed in technology in 1973, he commanded in succession the maintenance and repair group of the Nord 2501 aircraft stationed at the Rheims and Toulouse air bases. After a 2-year stint at the technical inspectorate of the air force, Colonel Englinger is now stationed at the Advanced School of Air Warfare.

COPYRIGHT: 1979 - Revue des forces armees francaises "Armees d'Aujourd'hui"

2662

CSO: 3100

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COUNTRY SECTION

GREECE

BRIEFS

TANKER ORDERS NOTED--The Livanos company is reported to have ordered two 80,000-ton oil tankers from the South Korean Hyundai shipyards. The tankers are worth 23 million dollars each. In addition, the Goulondris company is negotiating with Hitachi of Japan for the delivery of a ship [tanker?] of the same tonnage. [Text] [Paris VALEURS ACTUELLES in French 26 Mar 79 p 62]

CSO: 4800

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COUNTRY SECTION

ITALY

CONSTRUCTION SECTOR TO CREATE 139,000 JOB OPENINGS

Milan CORRIERE DELLA SERA in Italian 28 Feb 79 p 9

[Article by Demetrio De Stefano: "CRESME Forecasts to Chamber of Deputies Public Works Commission: Construction Industry Will Create 139,000 Job Openings in 3 Years"]

[Text] Rome--The Public Works Commission of the Chamber of Deputies requested CRESME [Center for Economic, Sociological and Market Research in Construction] to provide a detailed realistic forecast of realizable investments for new housing and public works based on the specifics of the 3-year plan for 1979-1981. CRESME's findings are summarized in the following table:

Key:

- 1.A) Italy
- B) Southern Italy
- 2. Jobs
(annual increments)
- 3. Public Works
- 4. Investments
(billions of current lire)
- 5. Residential
Housing Units
- 6. Total Jobs
Increment

1) A) Italia	13.000	14.900	16.800	
B) Mezzogiorno	6.000	7.000	8.000	
2) Occupazione (incrementi annui):				
A) Italia	38.000	24.500	19.500	82.000
B) Mezzogiorno	17.500	11.500	9.500	38.500
3) OPERE PUBBLICHE				
Investimenti (miliardi di lire correnti):				
5) ABITAZIONI RESIDENZIALI	1979	1980	1981	Totale
Investimenti (miliardi di lire correnti):				
A) Italia	1.800	2.300	2.600	
B) Mezzogiorno	1.000	1.500	1.800	
Occupazione (incrementi annui):				
A) Italia	19.000	21.000	18.500	56.500
B) Mezzogiorno	10.500	13.500	11.500	35.500
6) TOTALE INCREMENTO OCCUPAZIONE				
A) Italia	57.000	45.500	38.000	138.500
B) Mezzogiorno	28.000	25.000	21.000	74.000

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The chairman of the Chamber of Deputies Public Works Commission, Eugenio Peggio (PCI), points out that the estimate of 138,500 new jobs in housing and public works construction over the next 3 years--74,000 of which in southern Italy (115,000-120,000 including induced new employment)--"appears less optimistic than others that have been presented to the government, but is certain to be more in line with the actual results the investments can generate."

Peggio asserts that in any case, "the importance of the contribution which the investment programs in housing and public works can make to the attenuation of the unemployment problem in southern Italy is evident. However, it must be made clear that the realization of such investment programs is by no means certain, in view of the condition in which the central and peripheral administrations find themselves and of the manner in which the government has so far behaved toward that problem."

But, according to Peggio, there is more: "It must be added that in regard to possible projects in the field of the infrastructure and environmental protection, which government officials have so often talked about, the Public Works Commission of the Chamber, in the course of a visit to the EEC commission early in February, learned during its meetings with Commissioners Ortoli, Natali, Giolitti and Davignon that until now the Italian Government has not presented any project, despite repeated assurances by the EEC Commissioners that Common Market financing is available for approved projects which the Italian Government might present."

But what, in substance, can be done to put the housing and public works programs into effect? Peggio maintains that the problem "is fundamentally one of policy, in that a table of priorities must be laid down, and the practice of trying not to make anyone unhappy abandoned, which until now has been one of the basic causes of delays and procrastination." Aside from this, the chairman of the Public Works Commission of the Chamber holds that from the regulative and legislative viewpoints the following steps are necessary:

- 1) immediate approval of the law modifying the regulations regarding renegotiation of contract prices, and establishing of premiums for enterprises that complete work projects ahead of schedule;
- 2) issue of a directive by the government enabling wider use of competitive bid contracting, of contracts for standardized types of projects (above all, in the fields of housing and schools), and of the system of "construction-only" permits (general contractor). "By these means," Peggio explains, "it is possible to partly eliminate and partly combine the technical and administrative stages--always very long--which follow the decision to invest and which have to do with choosing the designers, approving the designs, competitive bidding based on the designs, frequent subsequent design changes during the course of construction, and then, after completion of construction, the final inspection of the finished work, etc. Use of these contracting procedures places responsibility on the builder for the very complex task

FOR OFFICIAL USE ONLY

of preparing the actual construction plans and simplifies enormously the financial and administrative control procedures";

3) approval, within a reasonably short period of time, of a new organic law on public works, abrogating and replacing all existing laws with the simplest possible clear modern text;

4) adoption of special procedures for intervention by appropriate organs (substitute administrators or other) in place of the regular administrations, in cases of serious nonperformance or prolonged delay in the realization of specific programs of expenditure. "Providing for such forms of substitutive intervention will apparently be useful, not so much because widespread application of such procedures should, in practice, be necessary, but above all because as policy they will stimulate the regular administrations to avoid falling down on their jobs."

From the operational viewpoint, Peggio advocates:

1) creation of a coordinating body for the carrying out of expenditures that have already been approved in the various sectors of the public administration;

2) activation of a service agency for the planning and execution of public works and coordinated on-site interventions. The Fund for Southern Italy should already have done this in the southern regions based on the 1976 Law 183.

"In view of the Fund's failure to comply with this as well as others of its functions, we must now see what can possibly be done in the short- and medium-term periods ahead. The short-term problem can be resolved by adopting extraordinary procedures in cases of conflict between the professional designer associations and highly qualified construction companies or consortiums. Obviously," concluded the chairman of the Public Works Commission of the Chamber, "this problem also presents far-reaching policy aspects and can only be resolved by an approach truly befitting the critical and urgent nature of the problem."

COPYRIGHT: 1979 Editoriale del "Corriere della Sera" s.a.s.

9399

CS0: 3104

FOR OFFICIAL USE ONLY

COUNTRY SECTION

ITALY

PCI'S BARCA INTERVIEWED ON PARTY'S ECONOMIC POLICY

Turin LA STAMPA in Italian 3 Mar 79 p 3

[Interview with PCI leader Luciano Barca by Aldo Rizzo]

[Text] Two different philosophies are discernible within the PCI [Italian Communist Party] proposal: on the one hand, recognition that the mechanisms of a developed capitalist economy cannot be forced; and on the other, the ideological need for an alternative model. In the interview Barca calls for "a genuine policy of investment, and responsible planning of demand."

Rome--The governmental crisis is evolving toward the anticipated elections, where that other, more objective and more serious crisis--the general crisis of the nation--is awaiting us. What are the views of the communists on this subject? Their hardened attitude (toward a DC [Christian Democratic Party] that is said to be guilty of "contradictions" and "nonfulfillment") is the basic cause of this difficult and extremely delicate phase of Italian politics. If elections are held, however, the problems will remain unchanged or will perhaps become even more serious.

We have seen how, in spite of everything, the PCI leadership is preoccupied with preserving the strategy of the "historic compromise" (if it can in fact be preserved, especially after the foreseeable acrimony of an election campaign). This relates strictly to politics--to political alignments and the relative strength of political forces, however. There remain the problems of substance--the problems of the economy--which together with the problems of public order are the most dramatic symptoms of the national crisis.

I had a conversation with Luciano Barca, one of the party leaders in charge of economic affairs. We began our conversation by talking about the 3-Year Plan. This plan

FOR OFFICIAL USE ONLY

should put the so-called "greater majority" to the test, for it is one of the operative aspects of the emergency policy. Instead, no one--or almost no one--talks about it any more. And yet with all its strong points and weak points, with all the necessary postponements and adjustments, the document will still be the basis for discussion when the time again comes.

[Answer] With respect to the question of a reduction in public expenditures, I believe there is general agreement that the figures should be revised. It is not a question of being more precise or less precise; it is just that the calculations are incorrect. Some data are more pessimistic than reality warrants: projections were made on the basis of increases that are uncertain quantities, such as the increase in public employment, whereas public revenues were probably underestimated. There is also, however, a general realization that precision is essential and that the existence of a governmental deficit does not automatically result in increased demand and increased development. That would amount to a pedestrian variety of Keynesianism.

Labor Costs

It is an indisputable fact that in the present situation wages cannot be an independent variable. Naturally, it is essential to see in what way they may--and should--be dependent. Should they be dependent on investment in the South, assuming such investment to be an objective fact and of prime importance? I agree that they should be.

[Question] But even if you accept the argument with respect to the containment of labor costs you have to refer not to the cost of labor per hour but to the cost of labor per unit of production. There's a difference.

[Answer] Indeed there is. I may add that even the DC, in its day, expressed a similar view, together with the labor unions. The 3-Year Plan, however, speaks of containing wages in terms of hours worked. It is a deliberate, abrupt turn to the right; it is an antilabor political statement.

[Question] How can you believe that this was the objective of Andreotti and Pandolfi, in an administration that governed by virtue of your support?

[Answer] We do believe it. The objective was to demonstrate that it was possible to govern with the communists included in the majority and yet at the same time take care of the interests of other political parties and social groups. We therefore told Andreotti, Pandolfi and Morlino--and I personally wrote in the 31 December issue of L'UNITA--that we would have been able to reach an agreement with respect to the cost of labor per unit of production but that we would have split over the issue of wages per hour of work. Of course, not even the question of wages per hour of work is taboo, but such a wage scale should be calculated in a broader context that will provide for an increment in productivity (and the labor unions are amenable to this) and thereby allow a greater margin for the payment of the wages themselves.

FOR OFFICIAL USE ONLY

[Question] These are things that cannot be accomplished rapidly, however, whereas the need for restoring strength to the private enterprises is an immediate need. La Malfa, in particular, contends that public investment--especially in a country such as Italy, with the governmental apparatus available to us--is a slow process, whereas private investment is a different matter. For this reason the PRI [Italian Republican Party] has promoted the idea of a biennial extension of the contracts.

[Answer] I agree, as far as the governmental apparatus is concerned. This is, in fact, a basic reform that must be carried out. But where is it written that by increasing the savings of private enterprise you automatically open the way to new investments? This would be pre-Keynesianism, pure and simple. Another approach is necessary.

[Question] A restoration of profits is not of itself sufficient to induce new investment, but it is nonetheless a prerequisite for new investment.

[Answer] Look: in 1977 we were genuinely anxious to have private enterprise recover a margin of profit sufficient for self-financing, in order that its indebtedness would not become excessive. But 1978 was a different kind of year--a year not of decreasing but of increasing profits. There is sufficient liquidity, and it has even benefited from foreign support. I do not overestimate the extent of the recovery that people are talking about, however, for it is a precarious recovery and does not meet the criteria of stable development--but neither do I underestimate it. I say this, of course, in the knowledge that there are individual "pockets" of extremely serious crises, as for example in the chemical sector: crises that are so serious, moreover, that what happens to wages once again becomes a factor of secondary importance. The real problem is to conceive and carry out a genuine policy with respect to investment: in other words, to offer concrete guarantees of a market for the product of such investment. Stated in another way, the problem basically involves the planning of demand.

[Question] What kind of planning?

[Answer] In the meantime, it is essential to resist the temptation to return to the financing of consumption: to high salaries and high wages and a consequent resurgence of inflation. If discrimination should then occur, it would produce intolerable social tensions. Another negative result would be a decline in family savings, which through the instrumentality of the banks serves to finance industry. What we are proposing is the creation of a demand of a new type and new quality--one that will rely on all the various articulations of the state and be based on verified collective and social needs. Just think of how many--and what kinds--of opportunities even for private investment could be created by a serious railway plan, by a serious environmental plan, by a serious energy conservation plan, and so on.

FOR OFFICIAL USE ONLY

What Kind of Market?

[Question] This takes us to more general topics, as for example the proposals with respect to economic policy that are contained in the "Proposed Theses" for your 15th Party Congress. I won't conceal the fact that when I read statements that affirm the need for integrating planning with the market; collective consumers with private consumers; the defense of the economic system with the effort to supersede capitalism; and so forth, I get the impression that this is an attempt to lump together a number of dissimilar things in a somewhat mechanical and therefore somewhat abstract manner. I agree that these are--as you say--unexplored paths.

[Answer] Yes, they are unexplored paths; but a number of stages have already been attained along them. We are opposed to all forms of administrative planning, in accordance with our pluralistic concept of society and our awareness that Italy--a country which, among other things, is lacking in raw materials--must function in a world market. What I mean is that if certain restrictions are placed on Fiat's activities, we must then realize that we are thereby giving an advantage to a foreign corporation--Renault, to be specific. Every effort on our part to modify the domestic market must inevitably take into account this free world market, not only in terms of the risk involved but also in terms of the foreign outlets it provides for our enterprises. Another point that has been established is the fact that every citizen has the right to produce whatever he wants to with his own money, but if he asks for money from the state he cannot exempt himself from conditions and controls based on a system of priorities.

[Question] There remains the fact that in your proposal one can discern two dissimilar philosophies that are reconciled only on paper: on the one hand, the recognition that the mechanisms of a developed capitalist economy cannot be forced beyond a certain point (that is to say, cannot be distorted), and on the other hand the ideological need for an alternative model that is collectivist in concept, however watered-down that concept may have become. Moreover, since it officially abandoned the Soviet model the PCI has continuously oscillated between these two poles of behavior: first, a cautious, and at times even benevolent, "wait and see" policy with respect to the reformist hypothesis of the Center-Left; next, an endorsement of the "wild" labor unionism of 1969-70; then once again, concessions to the method of conserving a capacity for accumulation; and so on.

[Answer] We are working on the assumption that the market should be preserved but that it should not be identified with the market of traditional capitalism. Throughout so many centuries and in so many different places, how many diverse forms has the market not taken?

Serious Danger

[Question] But in the period of transition between the existing market and this hypothetical market, there is the very serious danger of causing a crisis in the former while having little or no knowledge of the latter.

FOR OFFICIAL USE ONLY

[Answer] Causing a crisis in it...? A worse crisis than the present one? We intend, on the contrary, to reactivate the market by means of a genuine and effective planning which will make the market reflect the actual needs of society as a whole. On the other hand, the immediate problem facing us is one of modifying not the market but rather the mode of participation by the state. State participation must be freed from the spirit of welfarism, patronage and arbitrariness that has characterized it to date and that has been precisely the reason why it has been an uncertain and variable point of reference for those whose function it is to invest.

[Question] It is difficult to disagree with this view. However, there are so many problems posed by the remaining--but not inconsiderable--ideological suspicions, and by the acrimony of a political confrontation that could probably be avoided and that has only just begun.

COPYRIGHT: 1979 Editr. LA STAMPA S. p. A.

10992
CSO: 3104

END

FOR OFFICIAL USE ONLY